

MarketingManagement

Dr. Sheetal Patil



- To quote Peter Drucker

“Business has just two basic functions: Marketing and Innovation”

“Marketing is the logic of business.”

Marketing- an introduction

- An ancient art
- An omnipresent entity
- A vital function of business
- Business = Marketing

Marketing- an introduction

- Marketing is the truly entrepreneurial part of business- the great entrepreneurs have all been great marketers.
- The truly strategic part as well
- Intricate for practice

Marketing management today



"These are the old rules being thrown out."



**KEEP
CALM
AND**

**CONTINUE
OUTBOUND
MARKETING**

An Overview of Marketing

- Marketing refers to a set of activities like product development, pricing, promotion and distribution.



Definitions

- The performance of business activities that direct the flow of goods and services from producer to consumer or user.
- Is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others.

What is marketed?

- Goods
- Services
- Events
- Experiences
- Persons
- Places
- Properties

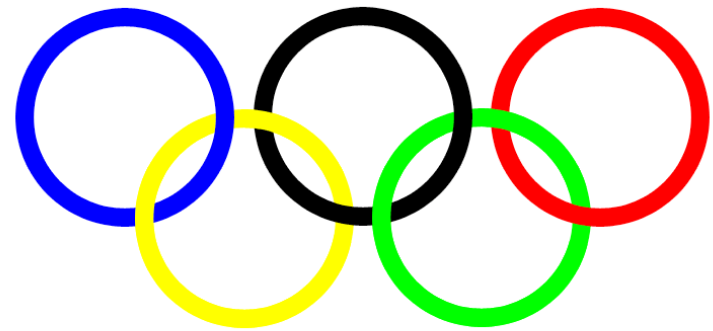
Goods



Services



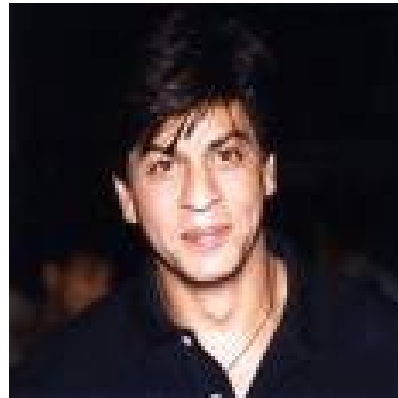
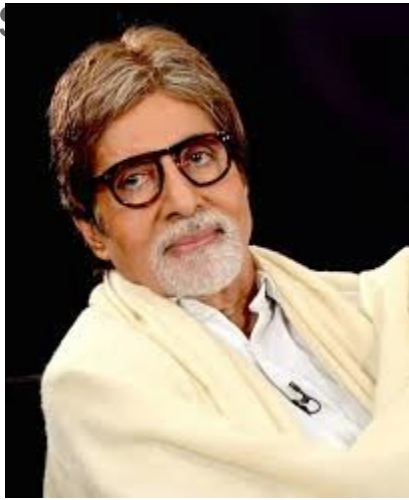
Events



Experiences



Per



Places



EXPERIENCE WHY
THERE'S NOTHING
LIKE AUSTRALIA



Properties



**THE TRUMP
MUMBAI**



Organizations



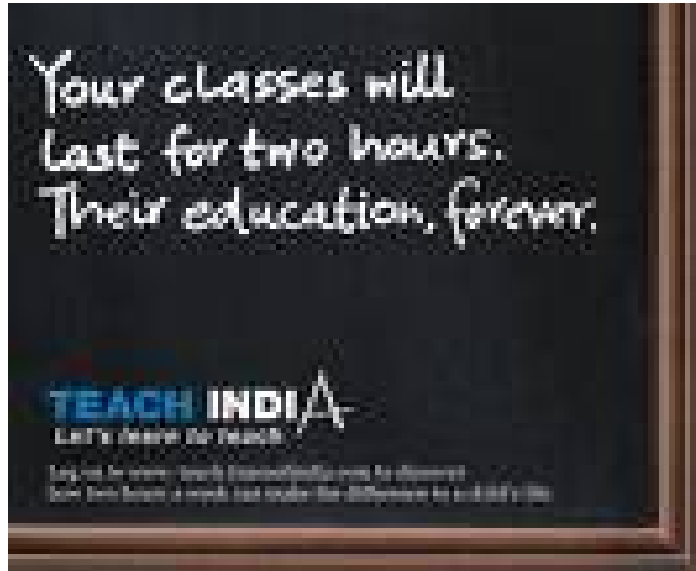
ADITYA BIRLA GROUP

future group
Udna hai. Aaj. Abhi.

Information



Ideas



- Marketers and Prospects
- Markets
- Marketplaces
- Marketspaces
- Metamarkets

- Key customer markets:
 1. Consumer markets
 2. Business markets
 3. Global markets
 4. Nonprofit and governmental markets

Features of marketing

- Social activity
- Managerial process
- Ongoing process
- Dynamic
- Marketing mix
- Scope
- Guiding element of business



- A science as well as an art
- Customer –orientation
- Needs ,wants and demands

Evolution of marketing

- Barter system
- Money economy
- Industrialization
- Competition
- Marketing



Orientations

- The production orientation/ Production concept.
- The product orientation/ The product concept.
- “These organizations are looking into a mirror when they should be looking out of the window”. Kotler
- The sales orientation/ The selling concept
- “The purpose of marketing is to sell more stuff to more people more often for more money in order to make more profits ,” Sergio Zyman

- The marketing orientation/The marketing concept
- “Marketing is far too important to be left only to the marketing department.” David Packard
- Four pillars of marketing
 - Customer orientation
 - Integrated management activities
 - Marketing information system
 - Dual objectives

- Customer concept/customization
- Societal marketing concept/societal orientation



Importance of marketing

- To the society
- To the firm
- To the nation



Functions of marketing

- A). Exchange functions:
 - Buying
 - Assembling
 - Selling
- B). Product related functions:
 - Product development
 - Branding
 - Packaging and packing

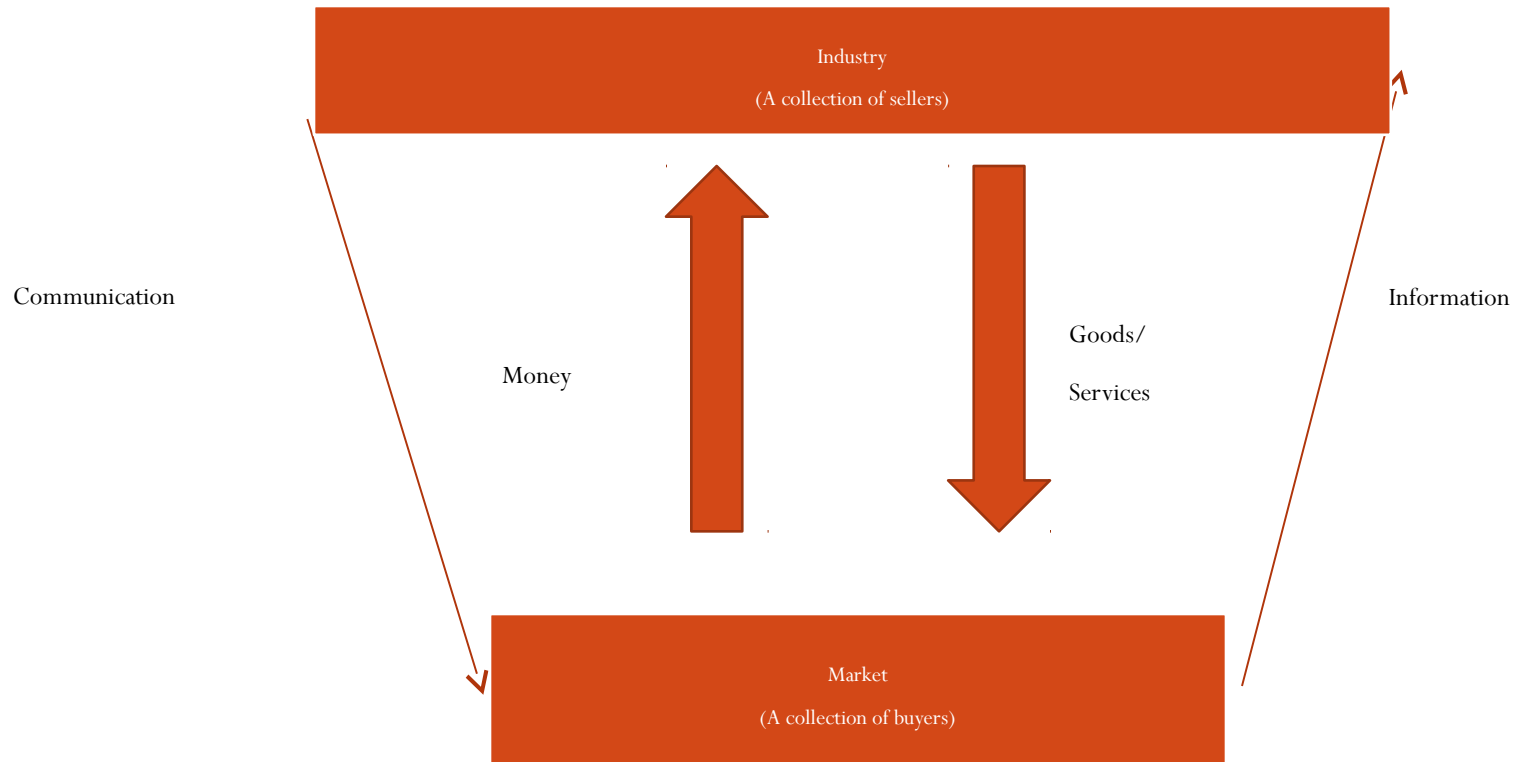


- C). Pricing functions
- D). Promotion functions
 - Advertising
 - Sales promotion
 - Personal selling
 - Publicity and public relations
 - Direct marketing

- E). Distribution functions
 - Selection of management of channels
 - Physical distribution functions
 - Transportation
 - Storage and warehousing

- F). Facilitating functions
 - Financing
 - Risk bearing
 - Standardization and grading
 - Marketing information

Marketing system



Fundamental marketing concepts

- Needs, wants and demands
- Target markets, positioning and segmentation
- Offerings and brands
- Value and satisfaction
- Marketing channels
- Supply chain
- Competition
- Marketing environment
- Marketing planning

Needs

- Needs are the basic human requirements. People need food, air, water, clothing and shelter to survive.
- People also have strong needs for education, recreation and other services.
- These needs are not created by society or by marketers.
- They exist in the very texture of human biology and the human condition.

- Needs become wants when they are directed to specific objects that might satisfy the given need.
Although people's needs are few, their wants are shaped and reshaped by social forces and institutions including families, temples, schools and business organizations.
- **Needs**:- A human need is a state of felt deprivation of some basic satisfaction.
 - Eg. Hungry, thirsty etc.
- **Wants**:- Wants are desires for specific satisfiers of these deeper needs.
 - Eg. If thirsty can satisfy by drinking tea, coffee, or water.
- **Demands**:- Demands are wants for specific products that are backed by an ability and willingness to buy them.

Frequent criticism

- Marketers create needs: “marketers get people to buy things they don’t want”.
- Marketers do not create needs: needs preexist marketers.

Types of needs

- 1. Stated needs
- 2. Real needs
- 3. Unstated needs
- 4. Delight needs
- 5. Secret needs
- “Many consumers do not know what they want in a product.”

- “Simply giving customers what they want isn’t enough any more- to gain an edge companies must help customers learn what they want”.
- Change from a “ make -and –sell” philosophy
To “sense and respond” philosophy.

Marketing Management

- Definition:
- Pride and Ferrel: “Is a process of planning, organizing, implementing, and controlling marketing activities in order to effectively and efficiently facilitate and expedite exchanges”.

Functions of MM

- Marketing research
- Planning
- Implementation
- Evaluating and controlling the marketing performance.

Marketing environment

- “A company’s marketing environment consists of the actors and forces that affect the company’s ability to develop and maintain successful transactions and relationships with its target consumers.” Philip Kotler

Marketing environment

- Micro-environment

- The company
- Suppliers
- Marketing intermediaries
- Customer
- Competitors
- Public

- Macro-environment

- Political
- Economic
- Social and cultural
- Technological
- Legal
- Environmental

PESTLE analysis

- Entering new market
- Launching a new product or service
- Considering a potential acquisition
- Investigating a potential partnership
- Examining an investment opportunity.



Political factors

- Tax policy
- Trading agreements
- Government stability
- Product labeling requirements
- Health and safety regulations
- Funding



Economic factors

- Interest rates
- Exchange rates
- Inflation rate
- Employment levels
- Consumer spending power
- Trade tariffs



Social and cultural factors

- Ethnic and religion issues
- Attitudes to foreign products and services
- Language
- Consumer leisure time
- Roles of men and women
- Demographics
- Living standards
- Education standards

Technological factors

- Technology legislation
- Internet/broadband
- Computer usage
- Quality and standards
- Infrastructure
- Change
- Outsourcing

Legal factors

- Licensing framework
- Employment laws
- Other regulatory factors

Environmental/External factors

- Environmental responsibility
- Seasonal issues
- Other issues

Issues and challenges in marketing in India

- High volatility in market
- Diversity and convergence
- Catering to the affluent
- Poor markets also need marketing
- Engaging customer 24*7
- Consumer communities

- Enhancing access
- Price and value major determinants
- New Icons
- Indian global brands
- Ecology sensitivity
- Word of mouth a stronger influence in adoption

Target markets, positioning and segmentation

- <https://www.youtube.com/watch?v=RcRFBVIvJHw>
- **Marketsegmentation**
- The process of breaking down all consumers into groups of potential buyers with similar characteristics.

Classroom activity:

Think of a product or service that you purchased recently in market. How might you go about developing a customer profile for the product? List the sources you would use.

The STP Process



Common Ways of Segmenting Buyers

By Behavior

- < Benefits sought from the product
- < How often the product is used (usage rate)
- < Usage situation (daily use, holiday use, etc.)
- < Buyer's status and loyalty to product (nonuser, potential user, first-time users, regular user)

By Demographics

- < Age/generation
- < Income
- < Gender
- < Family life cycle
- < Ethnicity
- < Family size
- < Occupation
- < Education
- < Nationality
- < Religion
- < Social class

By Geography

- < Region (continent, country, state, neighborhood)
- < Size of city or town
- < Population density
- < Climate

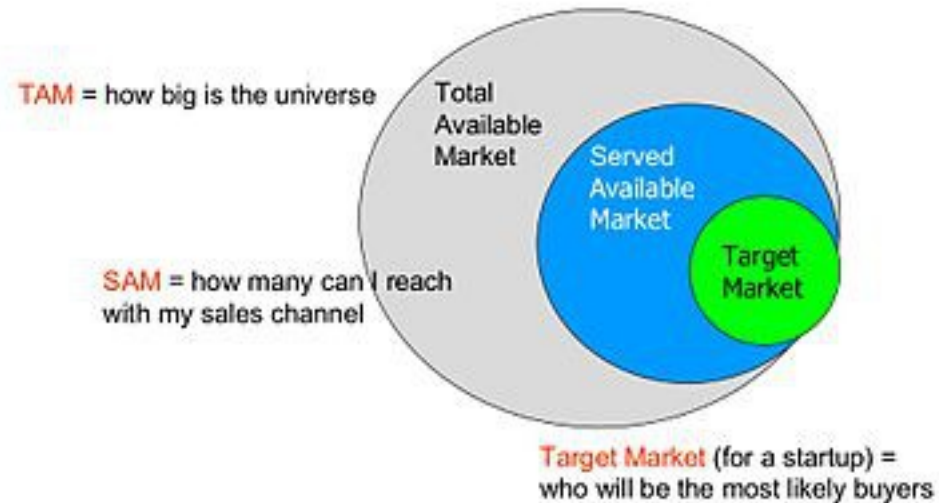
By Psychographics

- < Activities
- < Interests
- < Opinions

Target market

- Target market:
- Marketer decides which segments present the greatest opportunity...
- For each chosen target market, the firm develops a market offering.

Total Available Market, Served Available Market, Target Market



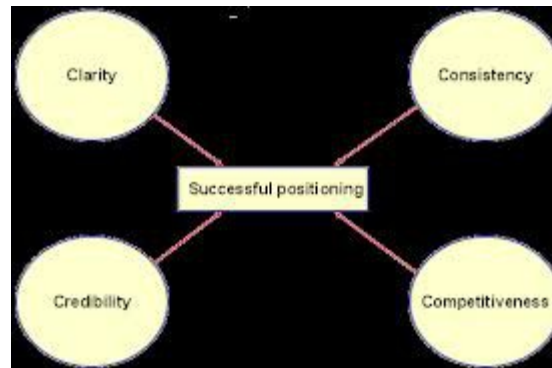
Marriott International

- **Marriott Courtyard.** Targeted at over-the-road travelers.
- **Ritz-Carlton Hotels.** Targeted at luxury travelers.
- **Marriott Conference Centers.** Targeted at businesses hosting small- and mid-sized meetings.
- **Marriott ExecuStay.** Targeted at executives needing month-long accommodations.
- **Marriott Vacation Clubs.** Targeted at travelers seeking to buy timeshares.

- **Positioning**

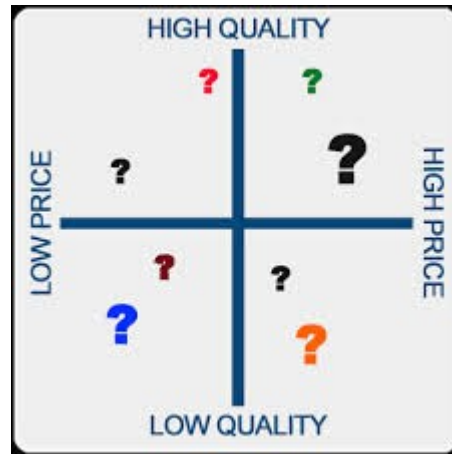
- Tailoring a product or its marketing so that it stands out from the competition and people want to buy it.
- Marketers don't want the product to be just another "face in the crowd" in the minds of consumers.

Positioning



Positioning





Positioning Statement

For Target Customer that Needs/Cares about,

Company/Product/Service is a Category/Solution

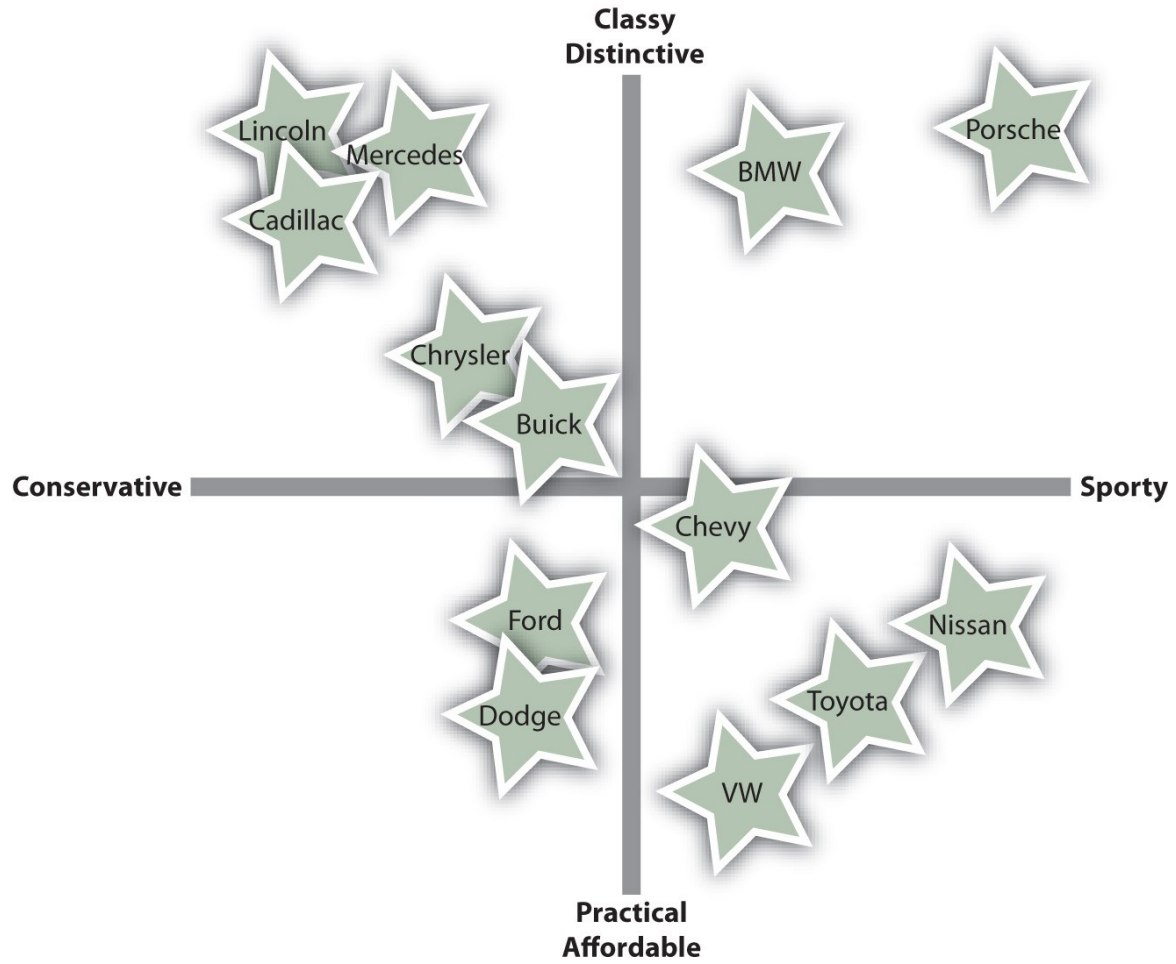
that Benefit.

Unlike competitor, Company/Product/Service is

Unique Differentiator.

TREW
Marketing

Positioning



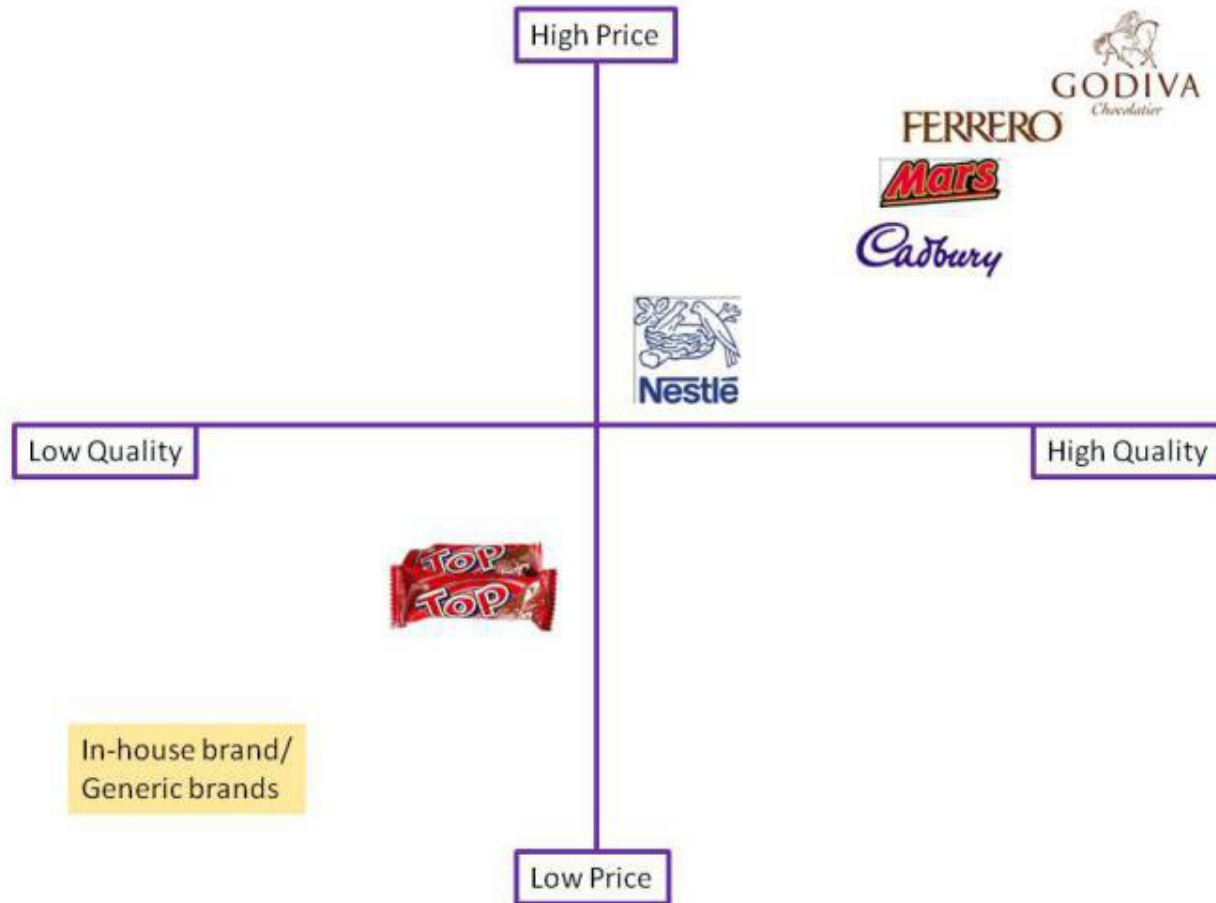
Product



Positioning



@Relevant Insights, LLC



Offerings and brands

- The intangible value proposition is made physical by an offering.
- Which can be a combination of products, services, information and experiences.
- A brand is an offering from a known source.

- Commodity
- Product
- Brand



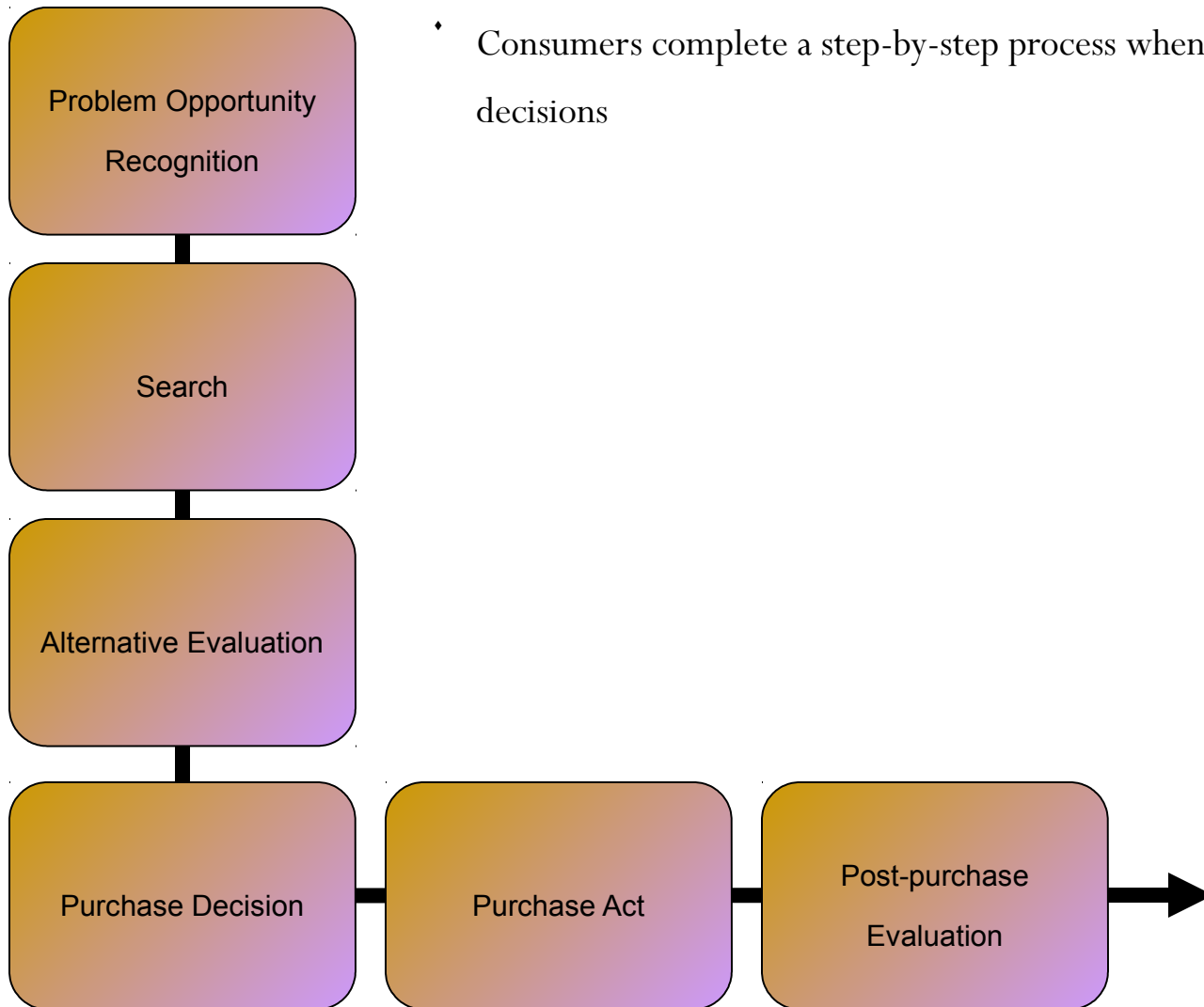


- <http://lobsterdigitalmarketing.co.uk/branding/>
- <https://www.youtube.com/watch?v=JKIAOZZritk#action=share>
- https://www.youtube.com/watch?v=XkBNbcMR_Uo

Market driven organizations

- 20 most admired companies in the world:
- Apple
- GE
- Toyota motors
- Berkshire Hathaway
- P&G
- FedEx
- J&J
- Target
- BMW
- Microsoft
- Costco Wholesale
- UPS
- IBM
- PepsiCo
- Cisco
- Boeing
- Wal-Mart
- Honda Motor
- Coca Cola
- Caterpillar

THE CONSUMER DECISION PROCESS



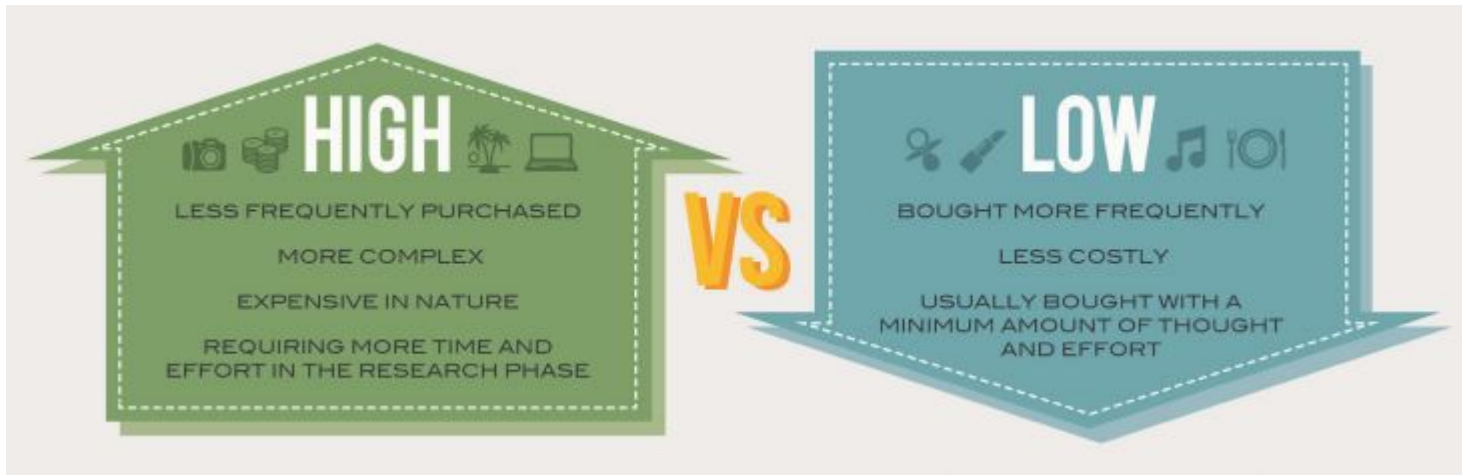
• Consumers complete a step-by-step process when making purchase decisions

High involvement products

- High price
- Complex features
- Large differences between alternatives
- High perceived risks
- Reflect self-concept of buyer

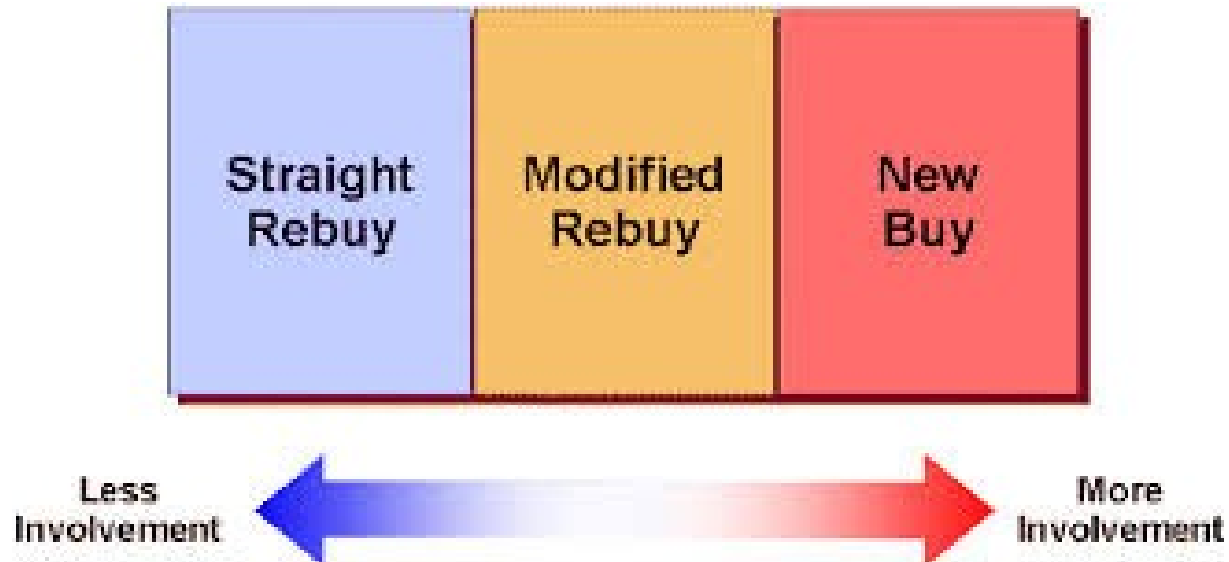
Low involvement products

- Low price
- Low risks
- Alternatives are similar
- Does not reflect buyer's self concept
- Frequent brand switching



Buying situation

- Routinised response behavior
- Limited problem solving / modified rebuy
- Extensive problem solving / new task.



Organizational buying behavior



Pillars of marketing-

- Market segmentation
- Positioning and
- Differentiation

- Market segmentation-
- Philip Kotler- “is the act of dividing a market into distinct groups of buyers who might require separate products and or marketing mixes.
- Market segmentation is the process of dividing a heterogeneous market into homogeneous sub-units.

Need/advantages of M.S.

- Selection of suitable market segments.
- Customer-oriented marketing
- Identification of opportunities
- Utilization of resources.
- Provides direction to marketing efforts.
- Helps in facing competition.

Issues and challenges

- Too much concentration on too few segments.
- Improper selection of target markets.
- Expensive
- Unpredictable consumer behavior
- Complicated process.

Requirements for effective segmentation

- Measurability
- Accessibility
- Viability
- Intensity of competition.

Market segmentation procedure

- Stage1-Survey
- Analysis stage
- Profiling stage

Bases used for segmenting consumer markets

- Customer based segmentation
- Product based segmentation
- Competition based segmentation.

Customer based segmentation

- Geographic location
- Demographic characteristics

Age and gender

Family life cycle

Social class

Religion and culture

- Psychographic characteristics

Personality and lifestyles.

- Buyer readiness

Not aware

Aware –not interested

Interested –ready to buy

Product based segmentation

- Use situations
- Benefits
- Quantity consumed

Competition based segmentation

- Hard core loyals
- Soft core loyals
- Switchers

Segmenting industrial markets

- Size of the customer
- Geographic locations
- Industry
- Purchase criteria

Targeting strategies

- Mass marketing/standardization
- Differentiation/marketsegmentation
- Niche marketing
- Local marketing
- Individual customer marketing

Product differentiation & positioning

- Product differentiation is one of the two main routes to marketing strategy.
- Differentiation helps the firm fight on non-price plank.

- Differentiation can be achieved in multiple ways.

- Tangible product attributes and functions

Ingredient/formula

Functional value

Additional features

Packaging

Design superiority

Product quality/technology/operational efficiency/service.

- Intangible characteristics and emotional associations

Ingredient/formula



DABUR VATIKA FAIRNESS FACE PACK

- Made From
- Sandal Wood
 - Milk
 - Turmeric (Curcumin)
 - Fullers Earth
 - Saffron
 - Herbal Extract

USA Wholesale & Retail Store





PANTENE
PRO-V
shampoo

NEW
Amino Pro-V Complex

CLASSIC CARE
leaves hair strong, shiny,
and healthy looking

PANTENE
PRO-V
conditioner

NEW
Amino Pro-V Complex

CLASSIC CARE
leaves hair strong, shiny,
and healthy looking

Functional value/ functional features.



Additional features





It's time!





Differentiation on packaging

me&meri
Maggi

shared

25 YEARS
25 JOY

Utsav Bansal
Raipur, Chhattisgarh

Shabnam
Dubai

Ritika Sharma
Kullu, Himachal Pradesh

Dr. Ganesh
Bangalore, Karnataka

Kirti
New Delhi

me&meri
Maggi
2-Minute
Noodles
Masala

25 YEARS
25 JOY

Post a Slogan
Appear on
MAGGI Packs
or Print Ads

Share a Story
Get featured on
MAGGI Print Ad
or Commercial

upload a video
Feature in a
MAGGI
Commercial

Maggi Taste Bhi Health B

SOUND OFFICIAL Terms of Campaign | Terms of Use | Privacy Policy | www.nestle.in



Replacing adhesive labels with PETG shrink sleeves lets the brand owner fit more information on the same size bottle.

Differentiation through product design/styling

D'damas
THE ART OF BEAUTY



Differentiation on product quality/technology



Differentiation on customer care and service

LG Electronics 2.1.1

The screenshot shows a Microsoft Internet Explorer browser window displaying a Google Image search result. The search query is "LG customer care 2.1.1". The image thumbnail shows a woman and a man in a red hard hat. The webpage content includes a navigation menu with options like "View All 2.1.1. Cities", "Check Your City", "View TVC", and "Terms & Conditions". A large banner features the text "NO WAITING" and three service promises: "Call back to customer within 2 hours", "Service engineer visit within 1 day", and "In a promised 1 hour time slot". The page title is "2.1.1. SERVICE".

Google Image Result for http://www.in.lge.com/images/ExpLG_211service.jpg - Microsoft Internet Explorer

Address http://images.google.co.in/imgres?imgurl=http://www.in.lge.com/images/ExpLG_211service.jpg&imgrefurl=http://www.in.lge.com/support/sup-customer-care.aspx&usq=_

Search Search images [Back to image results](#)

[See full size image](#)
180 x 82 - 15k - jpg - www.in.lge.com/images/ExpLG_211service.jpg
Image may be subject to copyright.
Below is the image at: www.in.lge.com/support/sup-customer-care.aspx [Remove frame](#)

2.1.1. SERVICE

Customer Care
Service Center Locator
Complaint Registration
Warranty
Annual Maintenance Contract
Extended Warranty
2.1.1. Service
View All 2.1.1. Cities
Check Your City
View TVC
Terms & Conditions
Dealer Locator
Downloads

View All 2.1.1. Cities | Check Your City | View TVC | Terms & Conditions

NO WAITING

2 HRS Call back to customer within 2 hours
1 DAY Service engineer visit within 1 day
1 HR In a promised 1 hour time slot

Prompt Response After Sales Service

Start | Inbox (19) - Yahoo! Mail ... | Google Image Result ... | Microsoft PowerPoint - [I... | 2:28 PM



Differentiation on intangible attributes



Conditions for differentiation to become effective:

- The task is to locate attributes that will make the product distinct.
- Enhancing value ,the aim; product attributes, the tool.
- Giving customer the value he seeks.
- Identifying the buying motives of target consumers

- The differentiation should be perceptible.
- Should be rooted in competitive advantage.
- Conditions for differentiation to succeed.

Product positioning

- Ries and Trout- 'Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.'
- Michael Rothschild, 'positioning refers to the place a brand occupies in the mind in relation to a given product class.'

Importance of positioning

- A product cannot be everything to everyone.
- Positioning connects product offering with target market.



Case study



- Hero Honda –Glamour
- Attack-Executive segment-youth segment

54% of total Motorcycle segment

Study- upper crust wanted & could afford a classy bike

After 3 years -125 cc bike- 'Quantum core' engine.-premium executive offer.

“Glamour for the youth who wants glamour in everything.”

- Positioning is not over at one stroke.
- Positioning is not an afterthought
- Product positioning and value proposition.

The task involved in positioning

1. Deciding the locus

2. Analyzing competitors' positioning

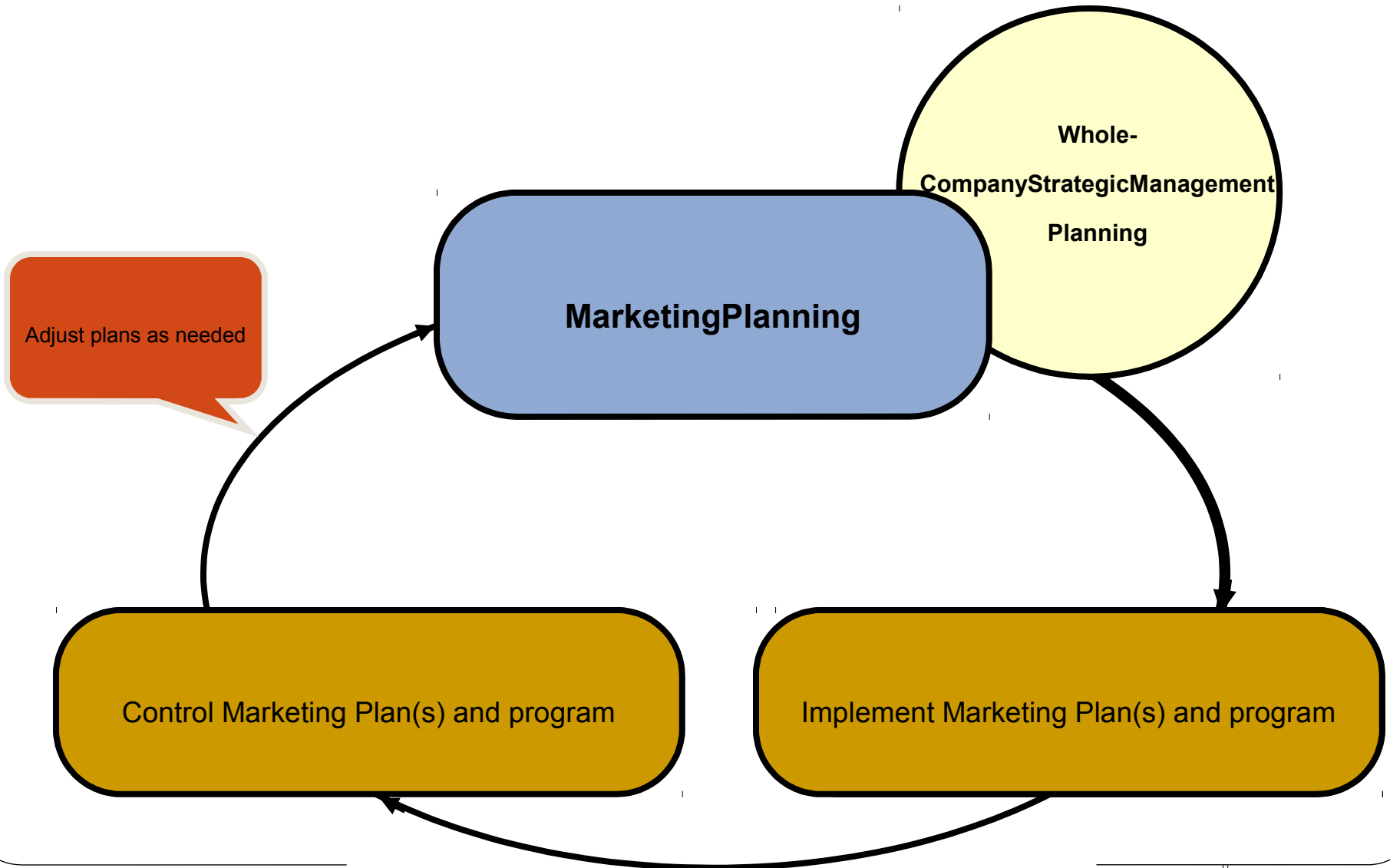
3. Fixing the positioning theme

- Positioning viz-a viz competition, its performance gaps
- Positioning on the consumer's expectations and desires
- Positioning on the theme of quality

- Positioning on the plank of price
 - Positioning on the plank of service
 - Positioning on the product's conformity with societal requirements.
- 4.Ensuring the infrastructure/competitive advantages for delivering the promise.
 - 5.Monitoring how the positioning is faring in the market.
 - 6.Repositioning the offer, if required.

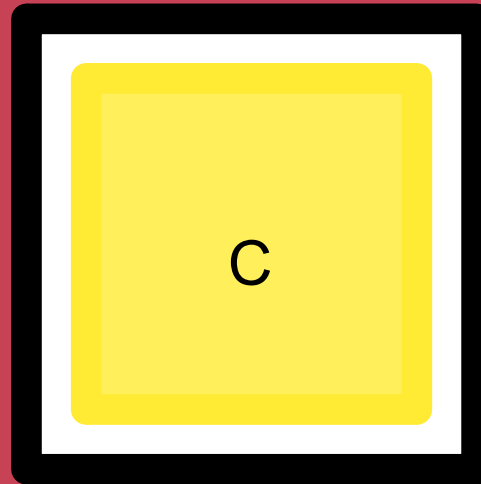
Marketing Mix

The Management Job in Marketing

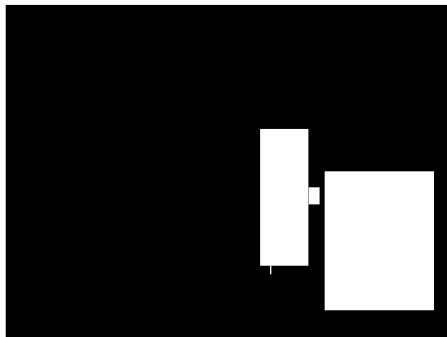
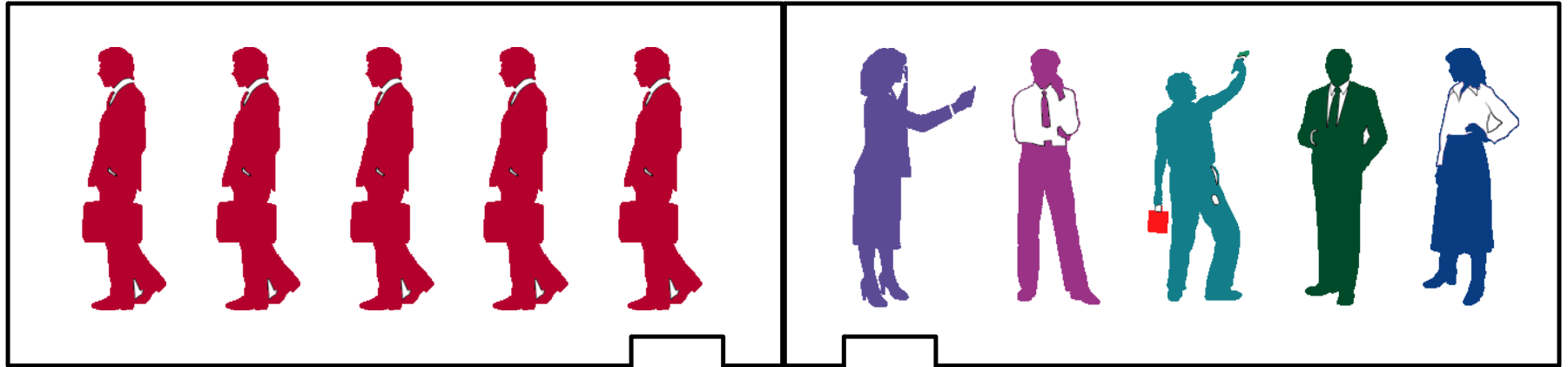


What is a Marketing Strategy?

The
marketing mix



Selecting a Market-Oriented Strategy is Target Marketing



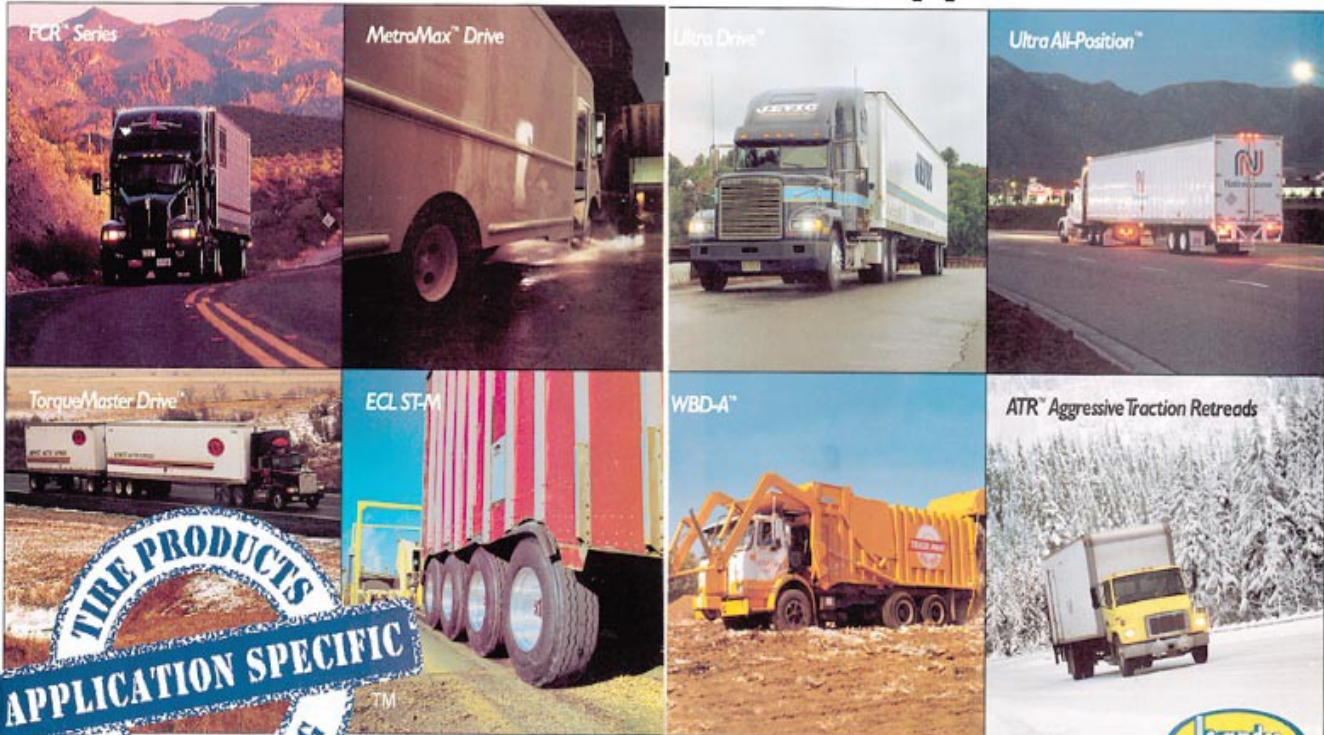
Production-oriented manager sees everyone as basically similar and practises “mass marketing”



Marketing-oriented manager sees everyone as different and practises “target marketing”

An Application of Target Marketing

There Are Plenty Of Tires That Will Fit Your Trucks. We Make Tires That Fit Your Application.



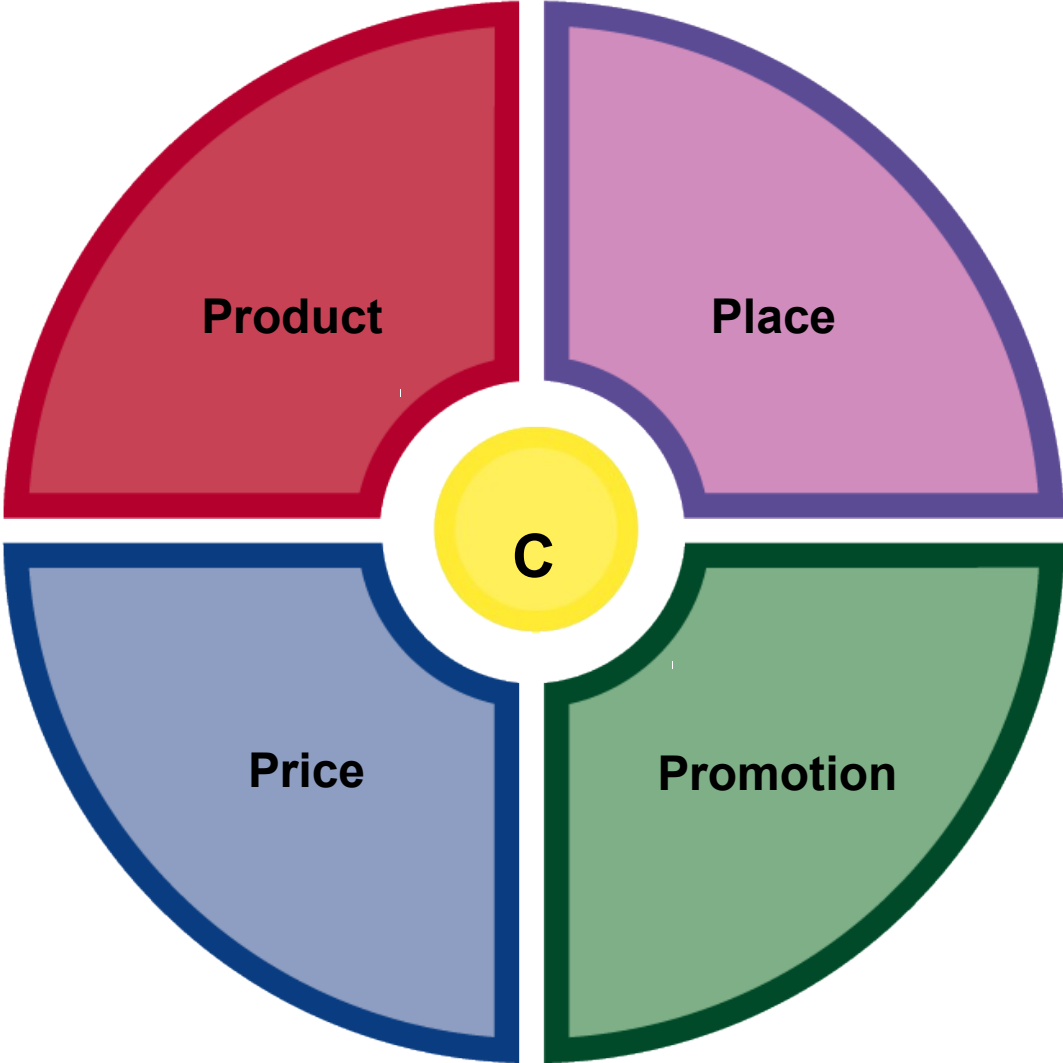
TIRE PRODUCTS
APPLICATION SPECIFIC
FROM BANDAG

**Only Bandag
Dealers Have Them.**

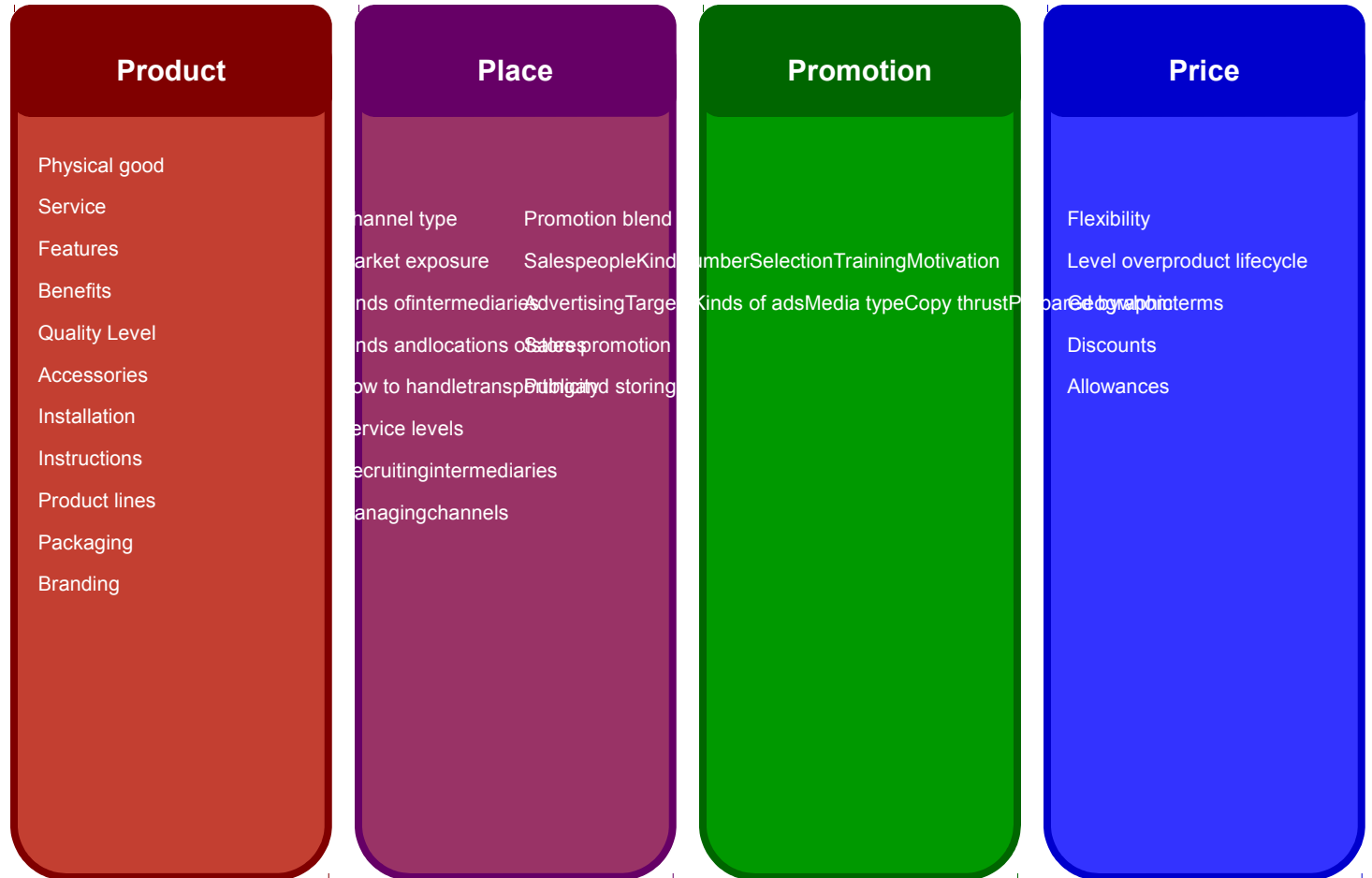
Application-specific tire products from Bandag represent a major improvement in tire design and performance. By concentrating on specific real-world needs we can build retreaded tires that perform like "best-in-class" new tires, at a fraction of the price. And these application-specific tire products are available only from your Bandag dealer. To find out which Bandag tire is right for your application, call 1-800-831-9405.


ALWAYS OUT FRONT™
©1999 BANDAG INCORPORATED - MUSCATINE, IOWA
Circle 111 on Reader Action Card

The Marketing Mix



Strategic Decision Areas



The Product Element of the Marketing Mix



Present the right product at the right time

Intelliserv your clients

Timing is everything. Now, with Intelliserv™ from Claritas, you can find the hidden sales opportunities and intelligently serve products and services to your customers at the best time—when you are already communicating with them.

With Intelliserv you can:

- Increase customer satisfaction
- Standardize cross-sell delivery
- Reduce time per call
- Increase product and program participation
- Offer opportunities earlier in the account cycle, so you can recognize revenues earlier
- Link offline and online behavior

Works great, on your website or in your customer service center

Intelliserv integrates easily into any application. Whether your customer is browsing your web site or calling by phone, you'll reach them with the products that interest them most, at the point of contact. In the web environment, Intelliserv enables a more personalized browsing experience, which increases website "stickiness" and eCommerce sales.

Rank-scored returns

Using XML technology, Intelliserv links information about your customer to the behavior data and syndicated data that Claritas is famous for. It then returns a list of products that the customer is most likely to purchase. Because Intelliserv uses our proprietary MicroVision or PRIZM profiles, privacy is ensured.

Choose from dozens of industry-specific selects

Intelliserv delivers many product selects for the following industries:

- Cable
- Energy
- Financial
- Media
- Retail
- Telecommunications

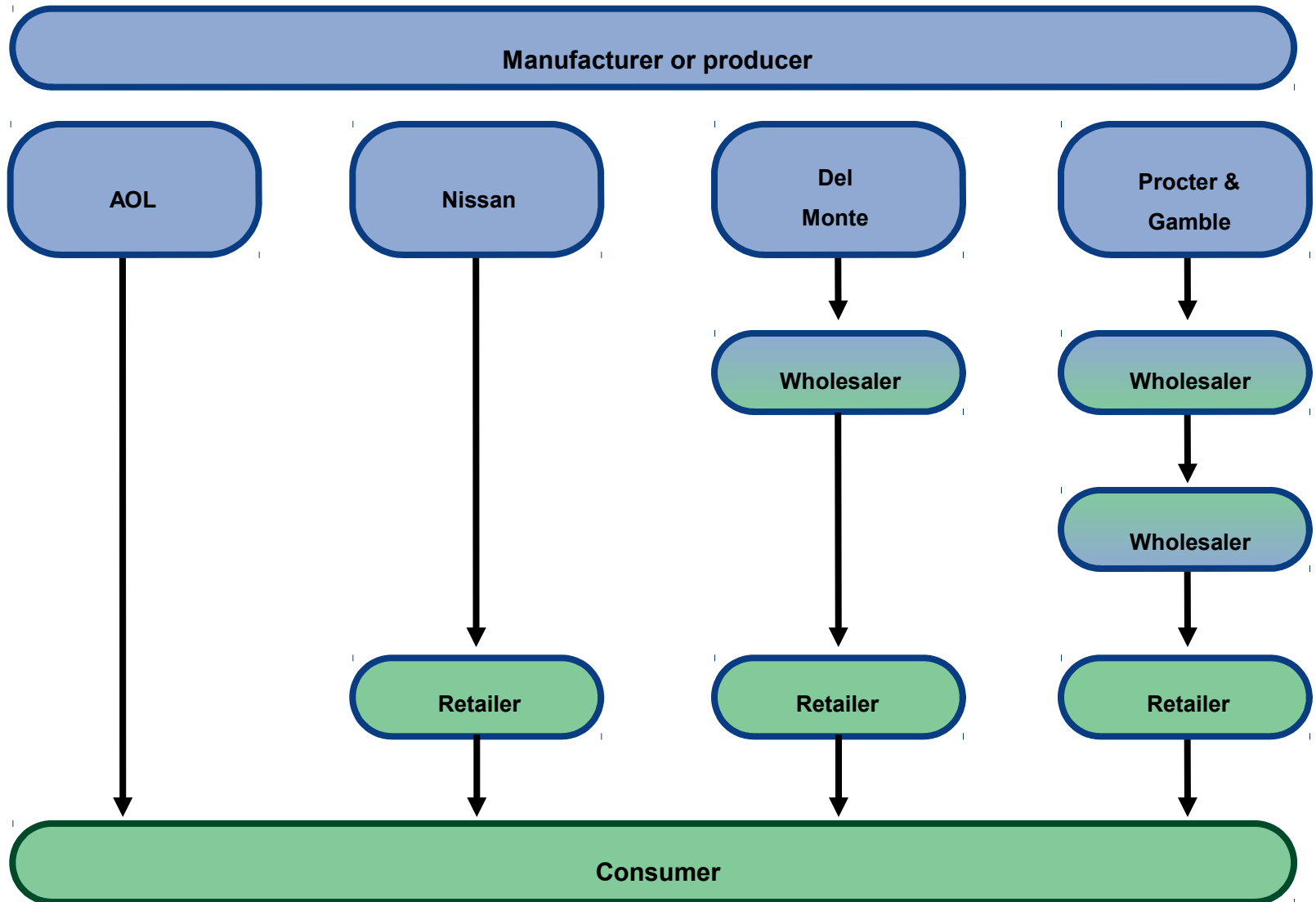
Call 800.234.5973

or visit www.claritas.com/intelliserv

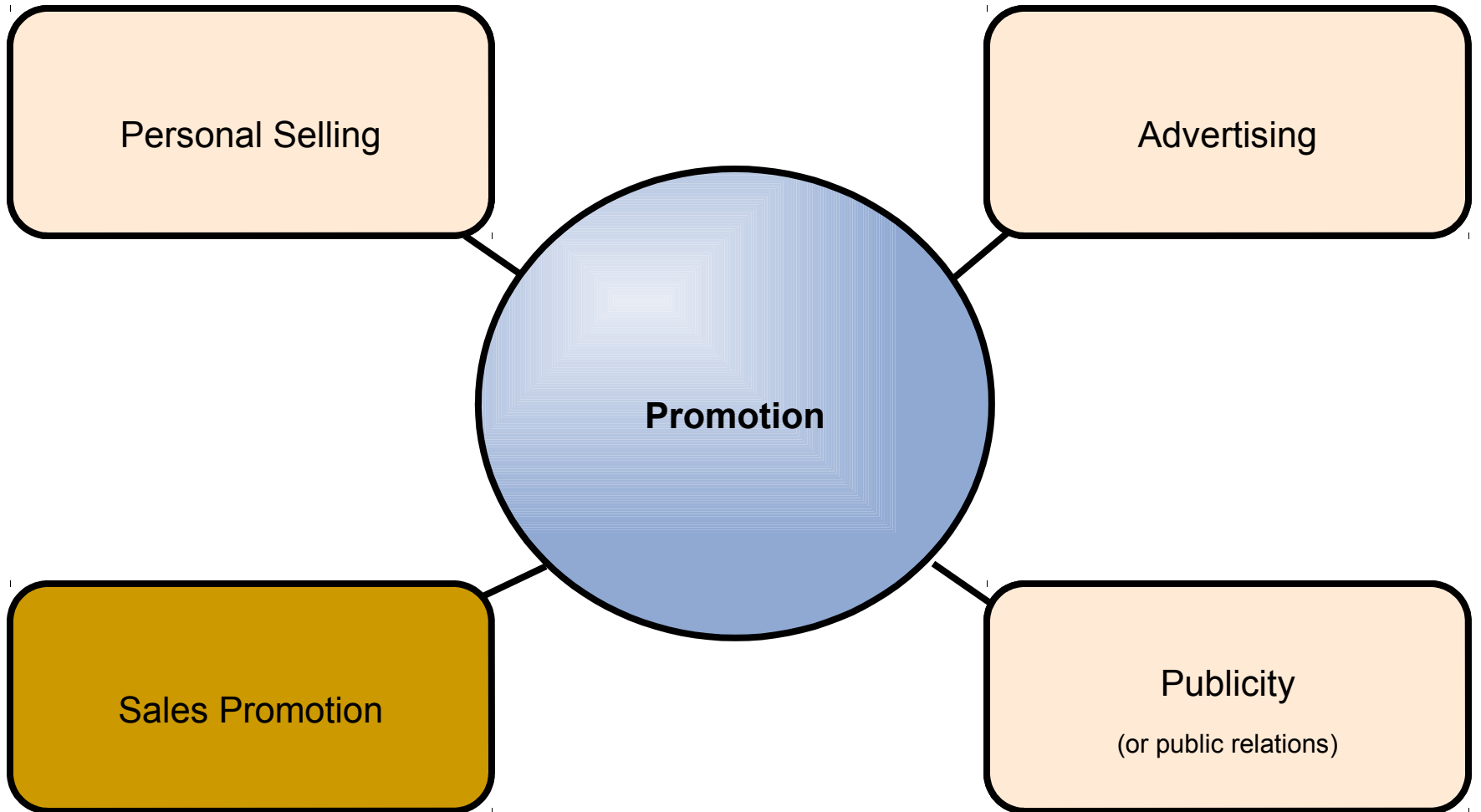


Adding Intelligence to Information

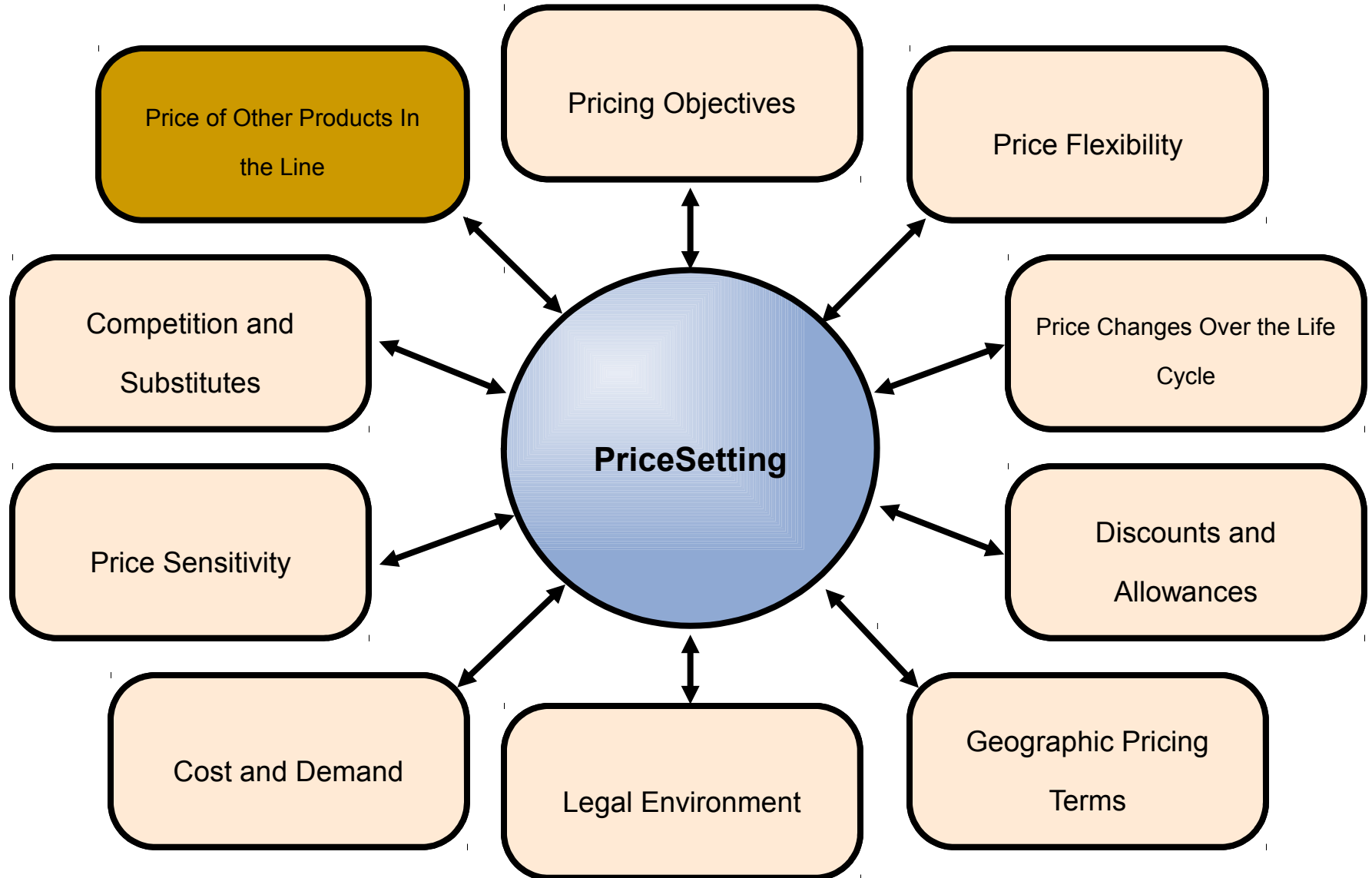
The Place Element of the Marketing Mix



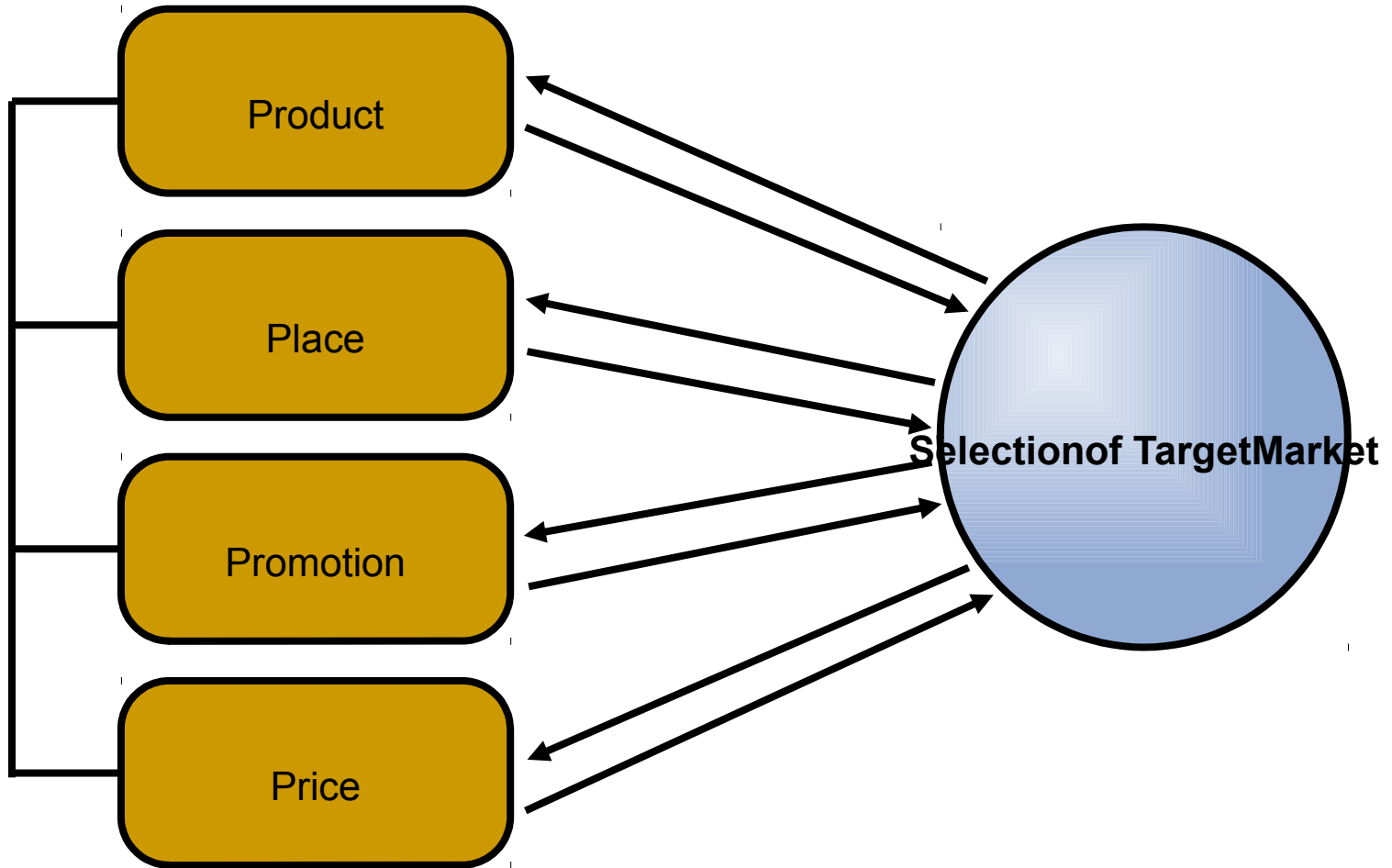
The Promotion Element of the Marketing Mix



The Price Element of the Marketing Mix



All Four Ps Contribute to the Whole



Understanding the Target Market

Leads to Good Strategies!



Packaging

Perception

persistence

Packaging

- Important in self service retailing.

Perception

- Is a faculty of insight enabling to discover and seize the hidden marketing opportunities.
- Eg. The “hook” of clove in promise tooth paste

Persistence

- Persistence is the necessary attitude to assert one’s strong will against all odds.
- The entire marketing team must be self –motivated team to demonstrate persistence.
- Perception and persistence are important in marketing mix of a new product.

- Coca-Cola considers marketing mix as the artistic balance of seven ingredients Product, Price, Promotion, Place, Potential, Penetration and Profit

Service

Definition

- Any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything.

Services Marketing and Marketing Mix

Normal Services

- Utilities like electricity, Water supply
- Law and Administration – Police, PMC
- Transport & Communication – Railway, TV
- Distributive trade – Wholesalers, Retailers
- Insurance & Banking
- Professional activities – Consultancy, Legal
- Recreation – Cinema, Hotels
- Miscellaneous – Parlors, Matrimonial services

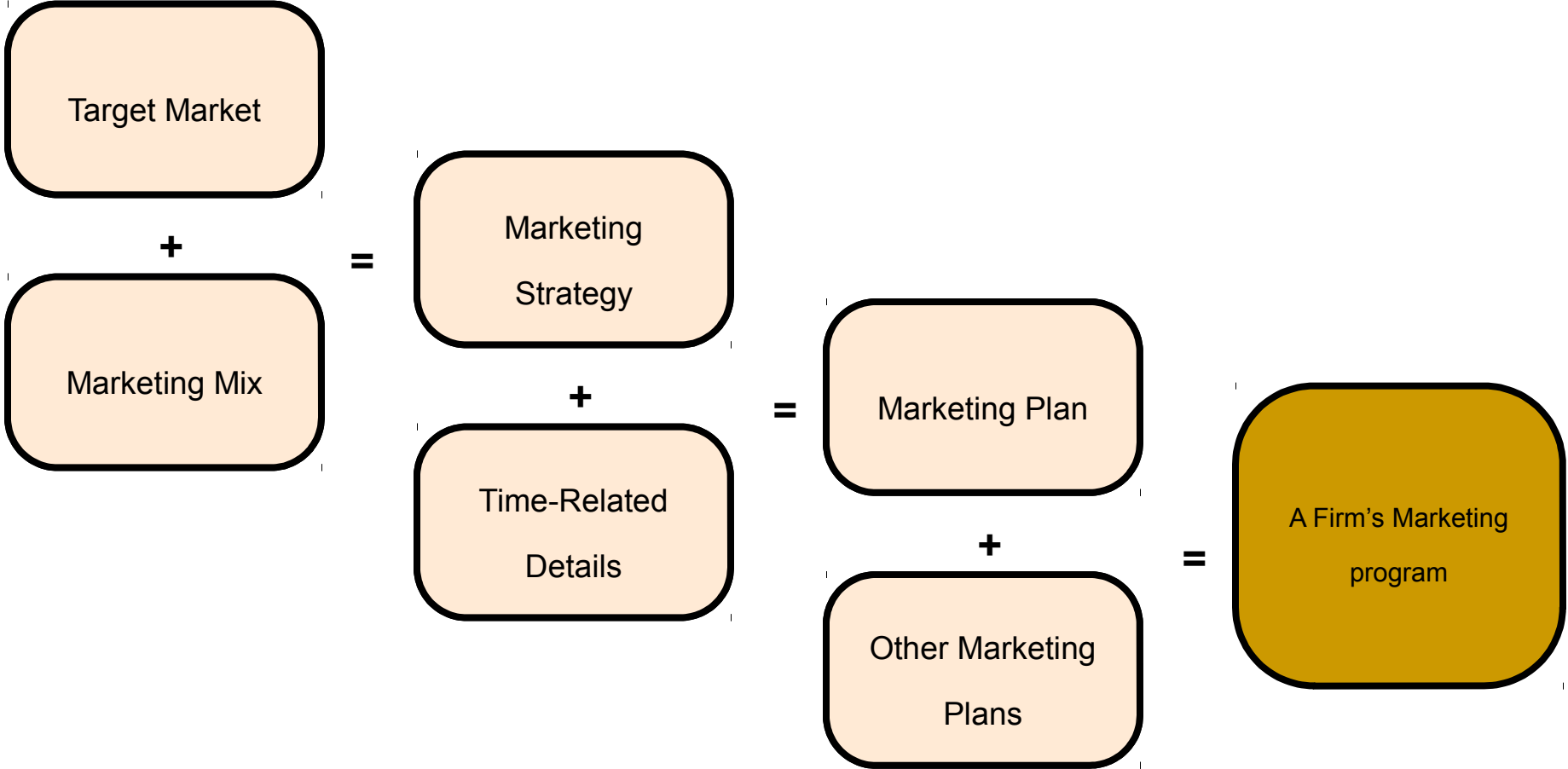
Characteristics of Services

- Intangibility
- Inseparability
- Perishability
- Heterogeneity
- Ownership

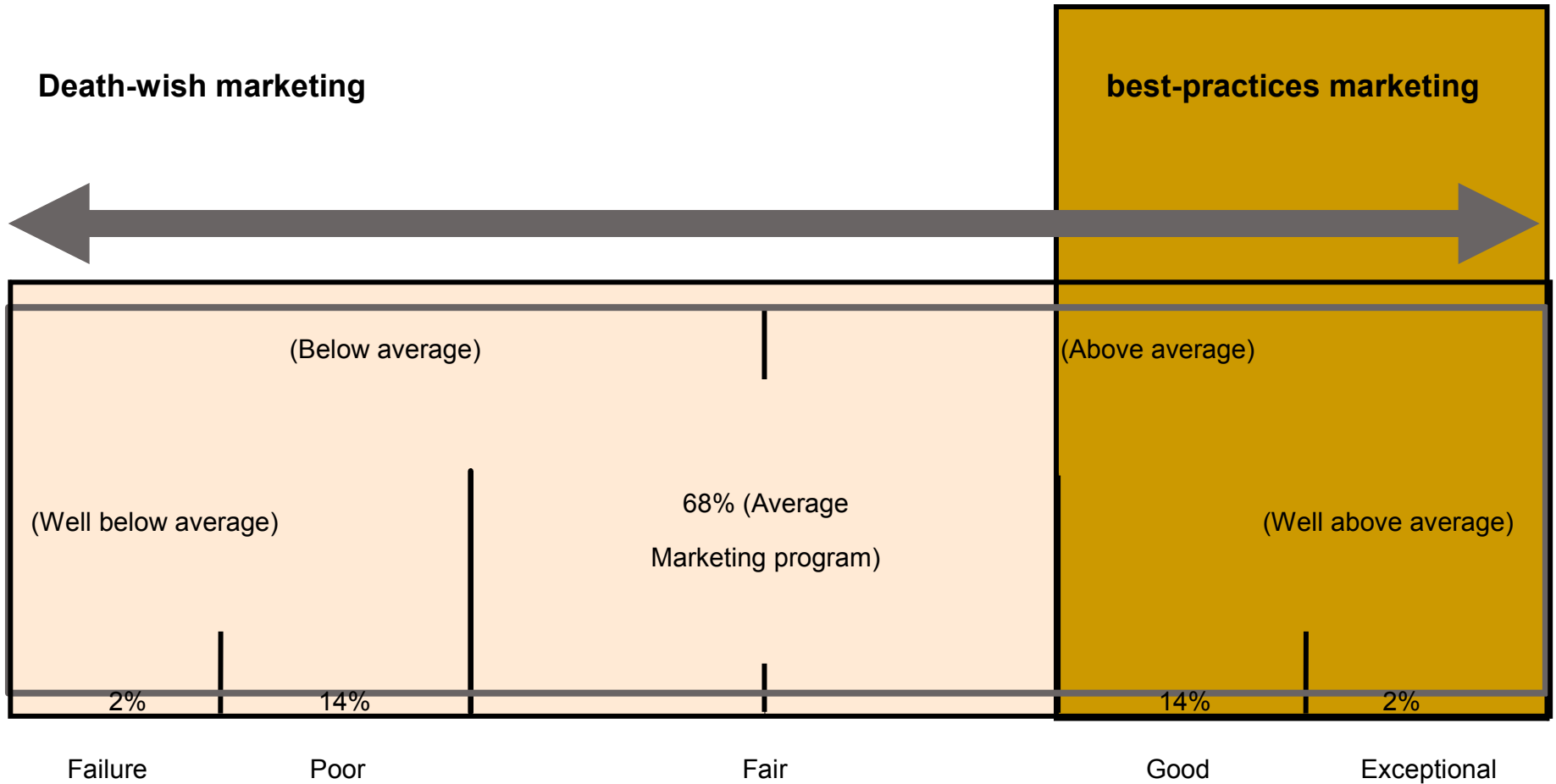
Additional P's in Services

- People
- Process
- Physical evidence

Elements of a Firm's Marketing program



Creative Strategy Planning Needed for Survival



Product and Product mix

Definition: A product is anything that can be offered to a market to satisfy want or need .

OR

A product is anything that can be offered to a market for attention, acquisition ,use or consumption that might satisfy a want or need.

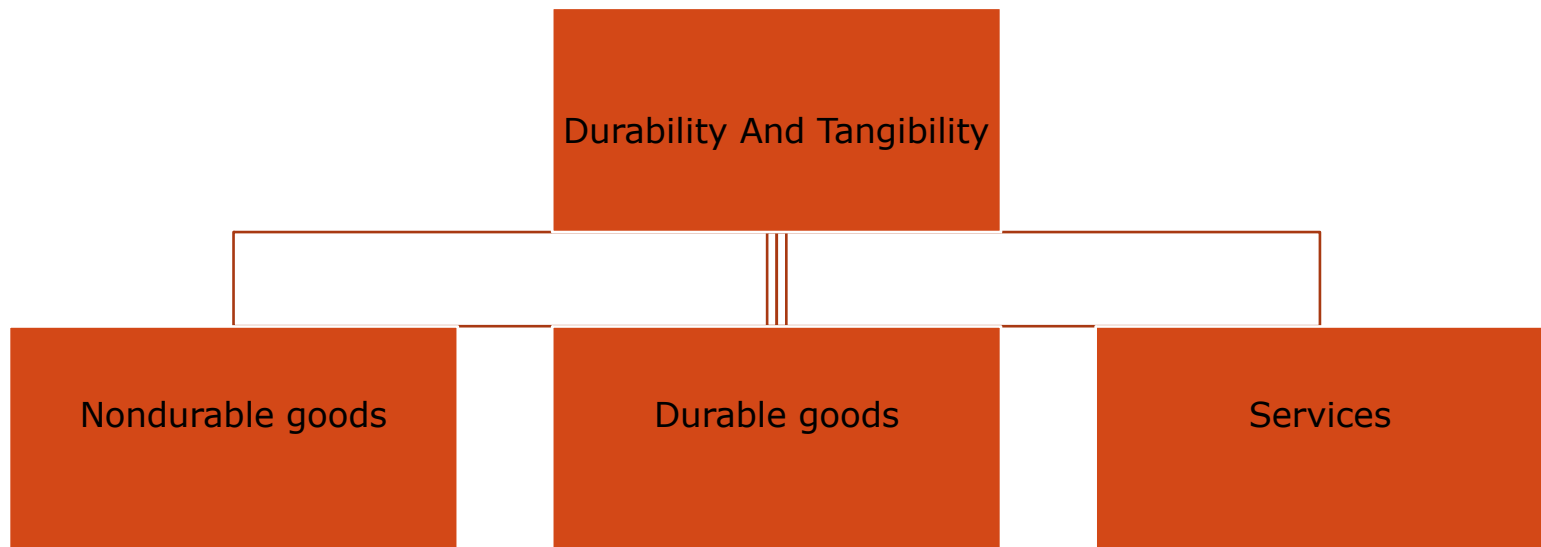
Product

- Physical product
- Services
- Ideas
- Organizations
- Places
- Persons
- Information
- Events
- Properties

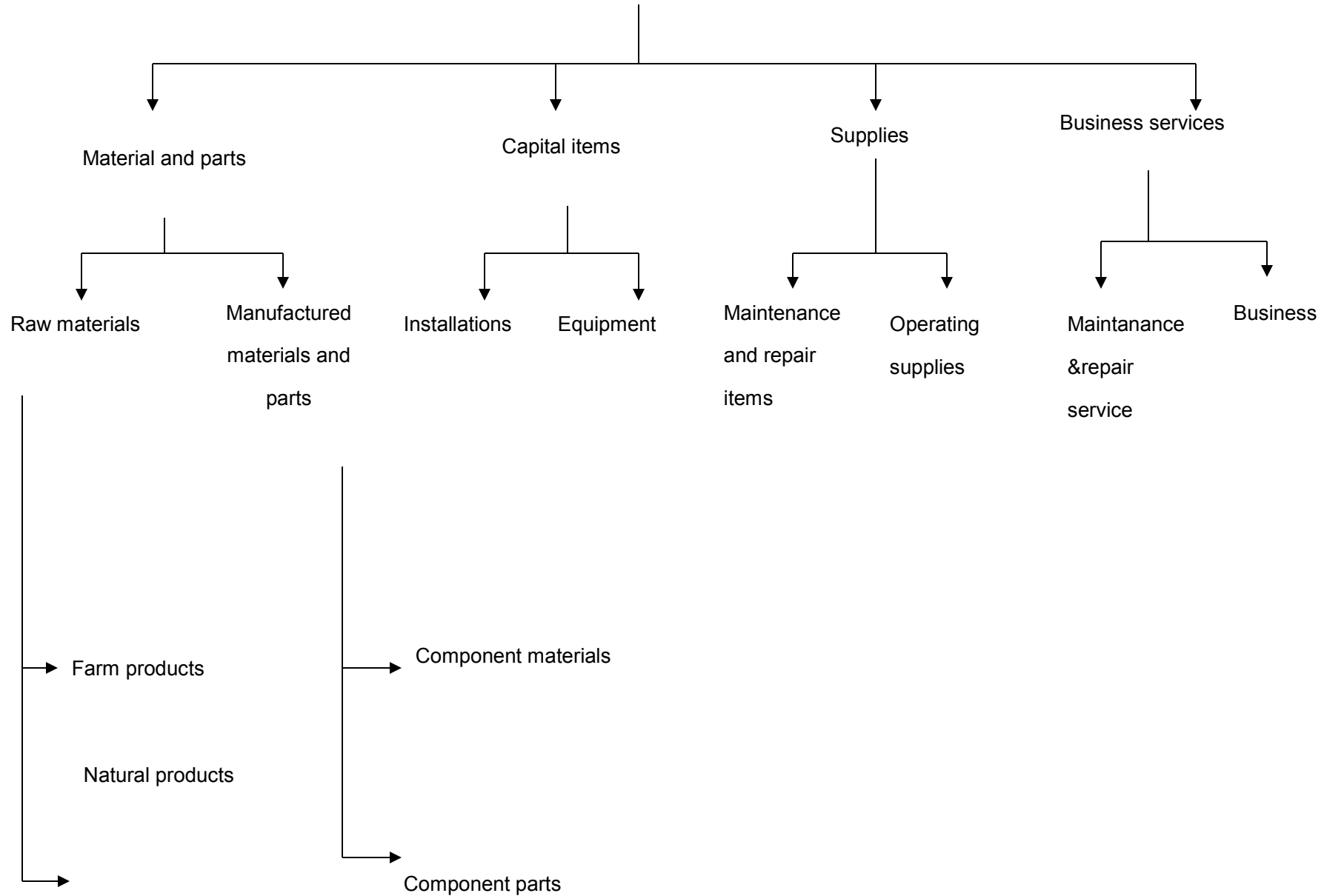
Why people buy a product?

- Physical attributes or qualities
- Want satisfying capacity or utility.
- Brand package, label
- Product features such as colour,size,shape,finish,style etc.
- Prices
- Services offered –before and after the sales.
- Reliability of the manufacturer ,dealer and retailer etc.

Product classifications



Industrial goods classification



Consumer goods classification



According to Levitt:

- “The new competition is not between what companies produce in their factories ,but between what they add to their factory output in the form of packaging, services, advertising, customer advice, financing, delivery arrangements, warehousing, and other things that people value.”

Detergents

TP

Soap

Diapers

Paper tissue

Ivory snow

Gleem

Ivory

Pampers

Charmin

Dreft

Crest

Kirk's

Luvs

Puffs

Tide

Lava

Banner

Cheer

Camay

Summit

Oxydol

Zest

Dash

Safeguard

Bold

Coast

Gain

Oil of olay

Era

- **Products of HUL:-**
- **Personal wash:-**Lux, Lifebuoy, Liril , Hamam, Breeze, Moti , Dove, Pears and Rexona**Laundry:-**Surf Excel, sun light, Rin , Wheel & Ala bleech
- **Dishwasher :-**Vim
- **Disinfectants:-**Domex, cif
- **Foods:-**Kissan(Jam,Ketchup,Squashes), Annapurna(Aata and salt), Knorr Soups, Modern Bread

- **Ice-cream:-**Kwality Wall's**Beverages:-Tea:-**Brooke bond, Lipton, taj mahal
- **Coffee:-**Brooke bond, bru
- **Beauty Products:-** Fair & Lovely, Lakme, Ponds, Vaseline and Aviance
- **Hair-Care:-**Sunsilk naturals, Clinic , Dove
- **Oral-Care:-**Pepsodent and Close-up
- **Deo spray:-** Axe and Rexona
- **Water Purifier:-** Pureit
- **Ayurvedic Personal & health care:-**Ayush

Product line decisions

- Product line analysis
- Product line length
 - Line stretching
 - Down-market stretch
 - Up-market stretch
 - Two-way stretch
 - Line filling
- Line modernization and pruning

Product Life Cycle

Product LifeCycle

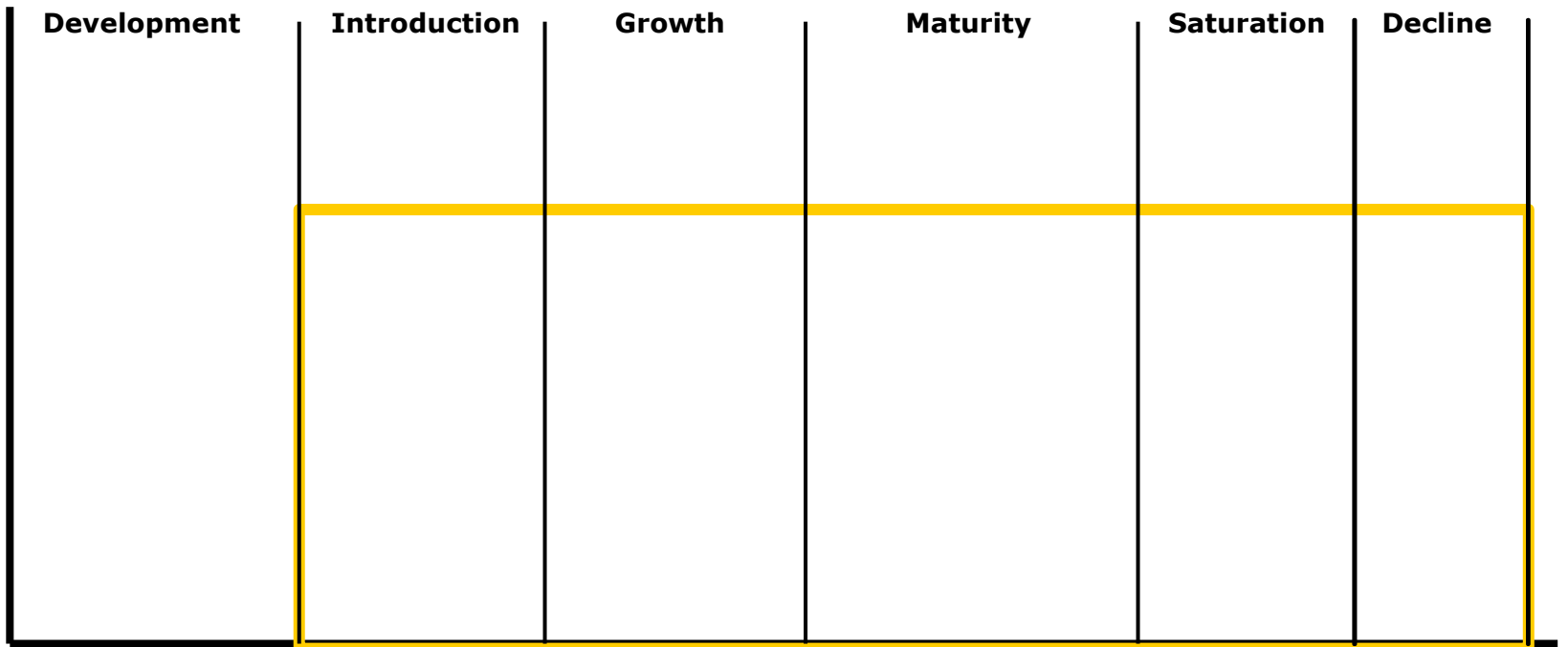
Product Life Cycle— shows the stages that products go through from development to withdrawal from the market.

Product Life Cycle

- **The Stages of the Product Life Cycle:**
 - Development
 - Introduction/Launch
 - Growth
 - Maturity
 - Saturation
 - Decline
 - Withdrawal

Product Life Cycle

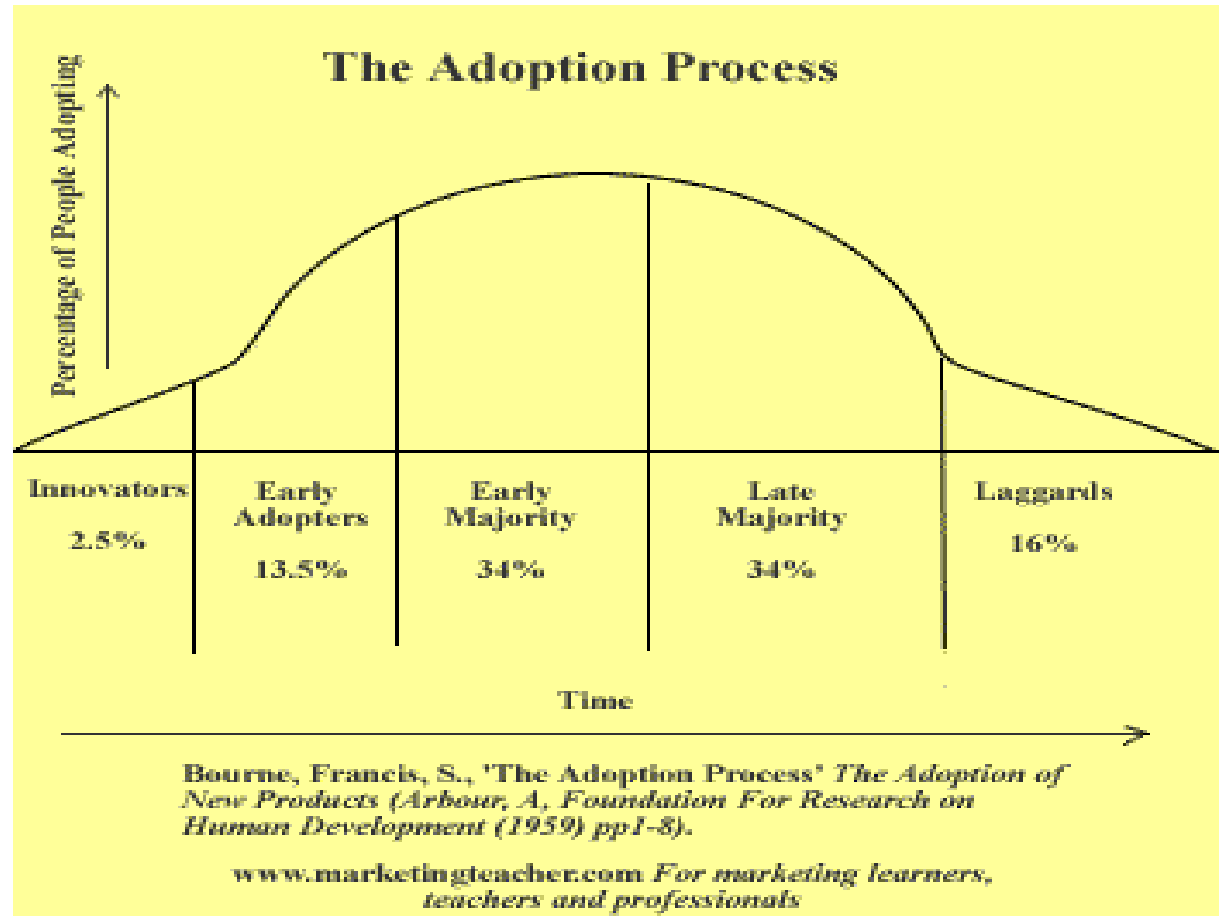
Sales



Time

Consumer adoption process

- Awareness
- Interest
- Evaluation
- Trial
- Adoption



Brand

A name, term, sign, symbol, or design, or a combination of them, intended to identify, the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

Brand name

Branding

Brand mark

Trade mark



Brand Associations

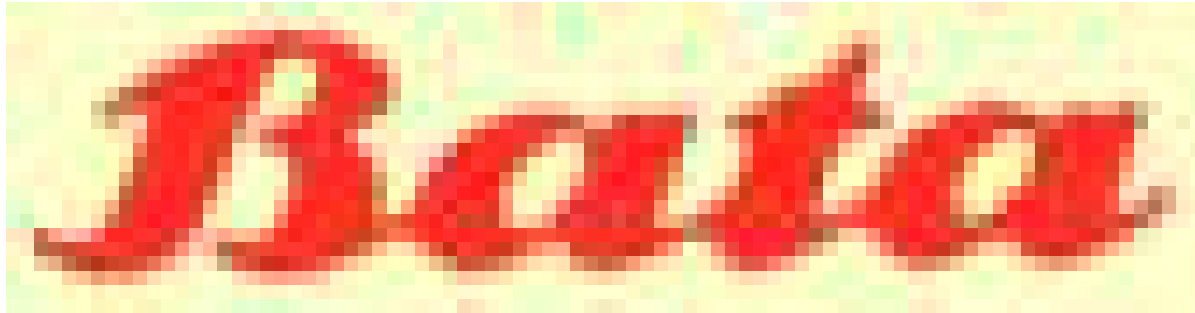
- All brand related thoughts, feelings, perceptions, images ,experiences, beliefs, attitudes ,and so on that become linked to the brand.



SONY

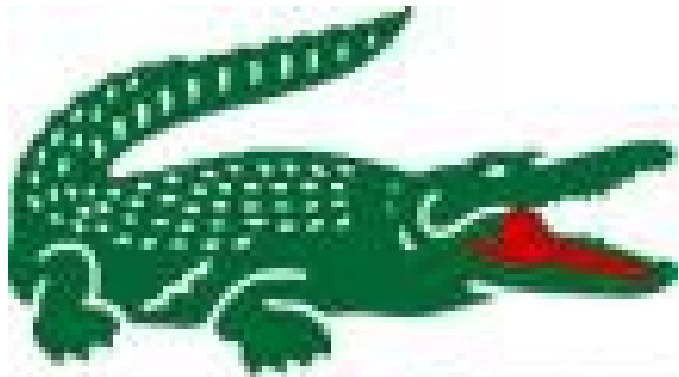
Brand familiarity

- How well customers recognize and accept a company's brand.









LACOSTE

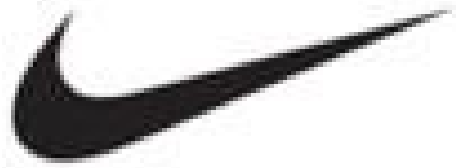
Brand insistence

- Customers insist on a firm's branded product and are willing to search for it.

NOKIA
Connecting People

Brand preference

- Target customers usually choose the brand over other brands ,perhaps because of habit or favorable past experience.





Brand recognition

- Customer remember the brand.



Brand rejection

- Potential customers won't buy a brand unless its image is changed.

Brand extensions

- Extending brand name to more products.
- E.g. Colgate ,Lifebuoy
- Dettol
- Godrej, kingfisher

Brand rejuvenation

- Involves adding value to an existing brand by improving product attributes & enhancing its overall appeal.
- New, super, special, premium, extra strong, fresh.

Brand Relaunch

- Some brands fail to take off,
- Some face decline after profitable life,
- Some cases the rate of growth is not enough for the firm..
- Some changes are incorporated & brands are relaunched with support of new campaign.

Brand proliferation

- Adding more brands to a line.
- More items are added with new brand names.

Brand cannibalization

- Company's brands compete among themselves.

Brand Loyalty

Whether the customer is committed one and the test is if he or she will walk that extra mile to get it.

Brand Valuation

- Estimating the total financial value of the brand.

Brand equity

- As the positive differential effect that knowing the brand name has on customer response to the product or service.

Marketing mix// Price

Meaning-exchange value of a product.

For manufacturer

For buyer

Importance of pricing-

Diminishing product differentiation

Inter firm rivalry

Mature products and markets

Customers value perception

Inflation in the economy.

PRICING
for profit

Pricing objectives

- Survival
- Maximization of current profits
- Increase in sales and market share
- Predetermined level of profit/ROI
- Meet or follow competition

Factors affecting pricing decisions

- Demand
- Objectives of the company
- Costs
- Competition
- Government policy
- Product characteristics
- Entry barriers

Pricing methods

- Mark –up pricing:
- Add a standard markup to the product's cost.
- VC per unit=15Rs.
- FC=,4,00000Rs.
- Expected unit sales=40000
- $UC=VC+FC/Unit\ sales$
- Suppose the manufacturer wants to earn 20% markup on sales,
- $MP=UC/(1-Desired\ return\ on\ sales)$

- Target return pricing
- $TRP = UC + \text{Desired return} * \text{invested capital} / \text{unit sales}$
- $UC = 15 \text{ Rs.}$
- $\text{Desired return} = 10\% \text{ ROI}$
- $\text{Invested capital} = 20,00000$
- $\text{Unit sales} = 40,000$



JOHN DEERE

- Perceived value pricing
- John Deere uses perceived value to set prices on its farming equipment. It might price its tractor at Rs.1.5 million, although a similar competitor's tractor might be priced at Rs.1 million. When a prospective customer asks John Deere dealer why he should pay Rs.5,00000 more ,The dealer answers,..

- Rs.1million (tractor's price)
- Rs.0.4 million (price premium for superior durability)
- Rs.0.3 million (price premium for superior reliability)
- Rs.0.2 million (price premium for superior service)
- Rs.0.1 million (price premium for longer warranty on parts)
- Rs.2 million (is the normal price cover for superior value)
- -Rs.0.5 million discount
- =Rs.1.50 million final price

- Value pricing
- Win loyal customers by charging a fairly low price for a high quality offering.



- Going rate pricing-
- The firm bases its price largely on competitor's prices
- In oligopolistic industries selling commodity such as steel ,paper, fertilizers...etc.

- Auction type pricing
- English auctions(ascending bids)
- Dutch auctions (descending bids)
- Sealed bid auctions

Price discounts and allowances:

- Discount
- Quantity discount
- Functional discount
- Seasonal discount
- Allowance

Promotional pricing

- Loss leader pricing
- Special event pricing
- Special customer pricing
- Cash rebates
- Low interest financing
- Longer payment terms
- Warranties and service contracts
- Psychological discounting

Differentiated pricing

- Customer segment pricing
- Product form pricing
- Image pricing
- Channel pricing
- Location pricing
- Time pricing

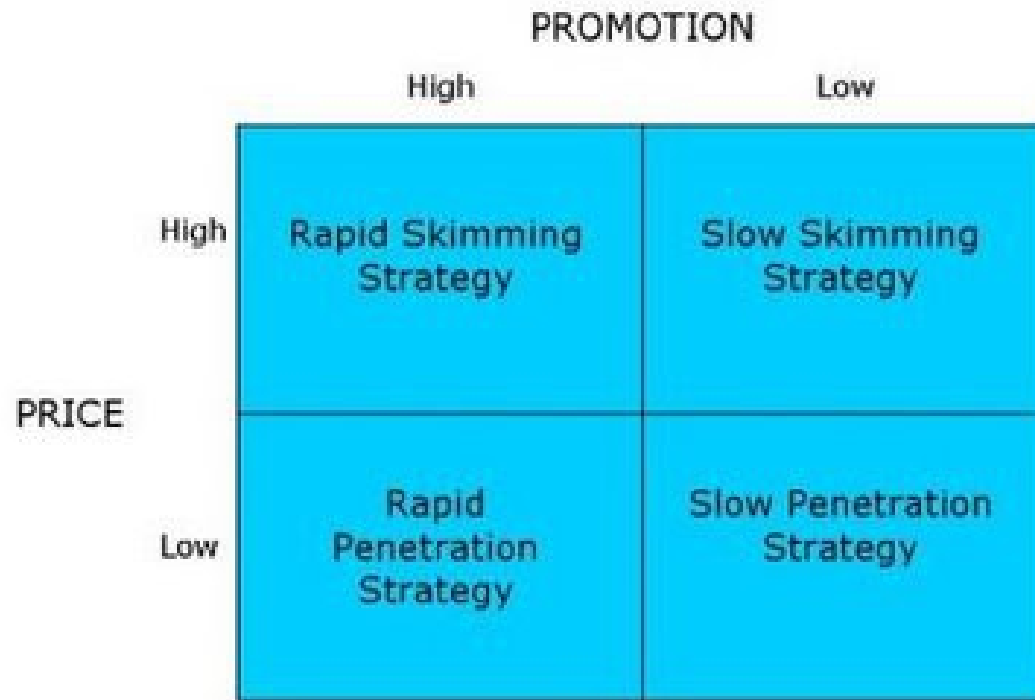
Pricing procedure

- Selecting the pricing objective
- Determining demand
- Estimating costs
- Analyzing competitors' costs, prices and offer
- Selecting pricing method
- Selecting the final price

Adapting the price

- Skimming strategy
- Penetration strategy
- Productline pricing strategy
 - Price bundling
 - Premium pricing
 - Complementary pricing
 - Captive pricing strategy
 - Twopart pricing

Marketing strategies in the intro. stage



Price bundling



CYBER MONDAY SALE BUY 1 GET 1 FREE

\$299.99

PlayStation 3 Bundle

Includes new 250GB PS3 System, Lego Harry Potter: Years 5-7, Lego Batman™ 2: DC Super Heroes, and Little Big Planet Karting.

OVER \$80 SAVINGS

A promotional advertisement for a PlayStation 3 bundle. It features a PS3 console, a DualShock 3 controller, and several game boxes including Lego Harry Potter: Years 5-7, Lego Batman 2: DC Super Heroes, and Little Big Planet Karting. The text highlights a Cyber Monday sale price of \$299.99, an offer of 'Buy 1 Get 1 Free', and 'Over \$80 Savings'.
$$\$225 + \$54 = \del{\$279}^{\$165}$$

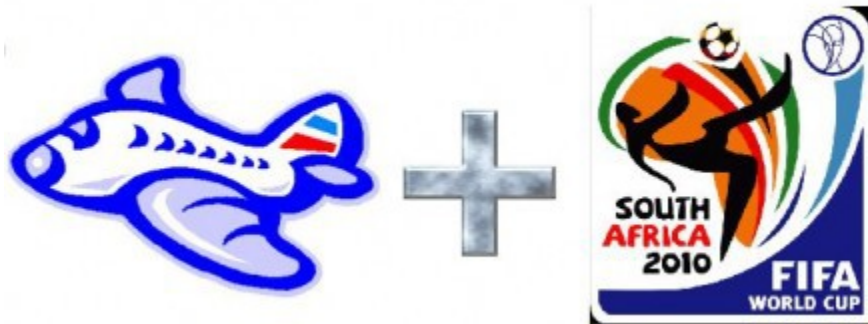
A visual representation of price bundling for luggage. On the left, a large blue rolling suitcase and a smaller blue bag are shown separately. On the right, the same two items are shown together as a bundle. Below the images, the text shows the individual prices: \$225 for the suitcase and \$54 for the bag. The total price for the bundle is shown as \$165, with the original total price of \$279 crossed out.



Premium pricing

Basic Listing Package	Silver Listing Package	Gold Listing Package
USD10.00	USD25.00	USD50.00
 30 Days	 30 Days	 30 Days
 HTML Descriptions	 HTML Descriptions	 HTML Descriptions
 Multiple Categories	 Multiple Categories	 Multiple Categories
 File Uploads (max)	 File Uploads (max)	 File Uploads (max)
 Google Maps	 Google Maps	 Google Maps
Select Plan	Select Plan	Select Plan

- Complementary pricing



Integrated marketing communications



**Where will happiness
strike next?**









Coca-Cola

A chance to
WIN
an exclusive
Coca-Cola
Christmas Jumper



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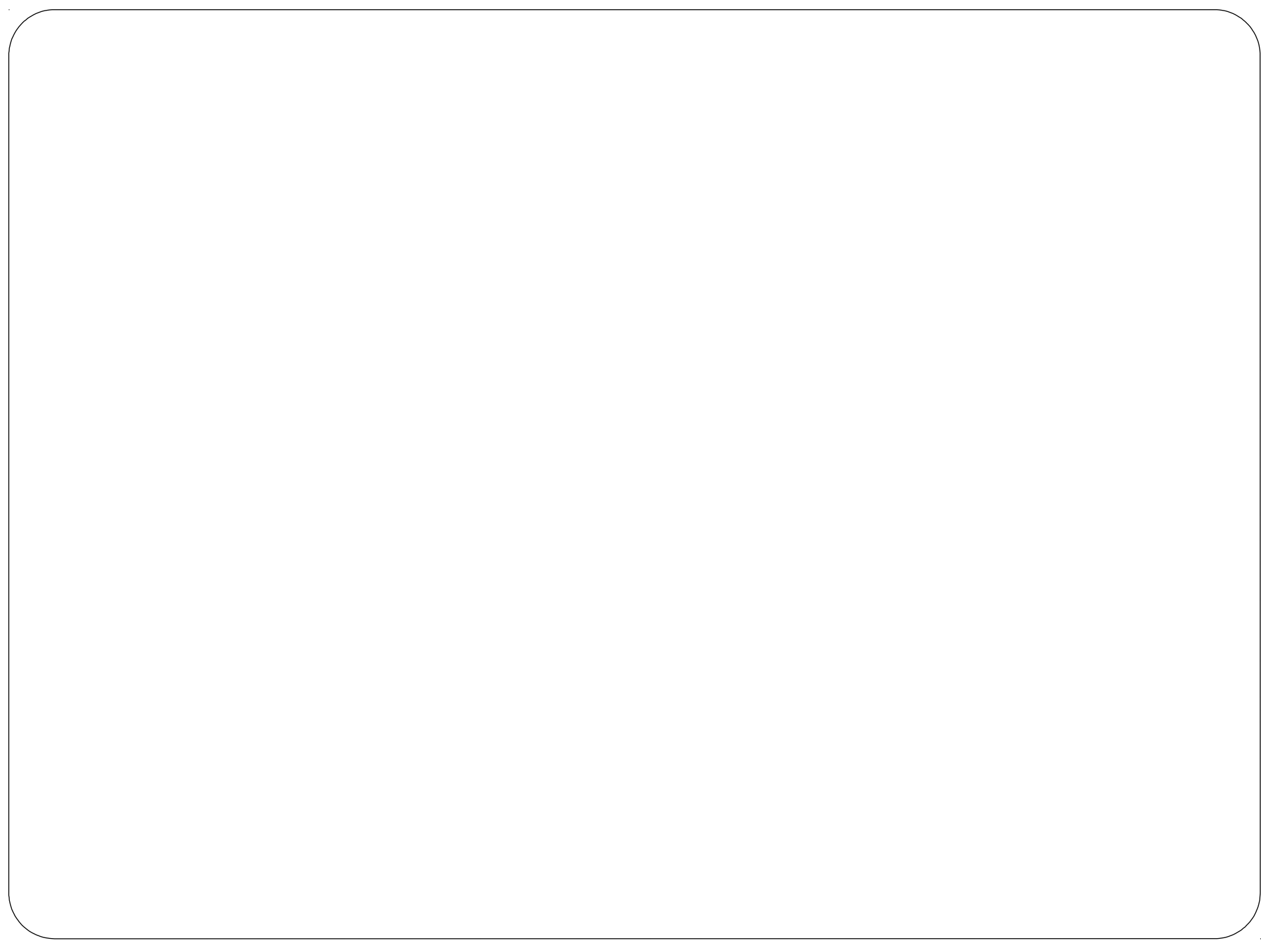




Official Lighter Than Air America / Coke Balloon Team Image









- Coca-Cola created rainbows in the sky above Johannesburg to mark the 20th anniversary of South Africa's democracy and the birth of the term 'Rainbow Nation'.
- Ad agency FCB Johannesburg and coke used recycled water, light-refraction science, meteorological data and “a little bit of magic” to create the rainbows.

Promotion mix

- Promotion is the process of marketing communication to inform, persuade, remind and influence consumers in favor of the firm's product.
- Advertising
- Salespromotion
- Events and experiences
- Publicityand publicrelations
- Direct marketing
- Interactive marketing
- Word of mouth marketing
- Personal selling

Sales promotion

- “Short term incentives to encourage purchase or sale of a product or service.”
 - AMA

Consumer sales promotion

- Coupons
- Samples
- Demonstrations
- Full refund
- Premium offers
- Price offs
- Contests and sweepstakes
- Fashion parades /shows
- Supply of stickers/stamps
- Concession to members
- Sales /discount offer

- ◆ Special displays
- ◆ Deposit scheme
- ◆ Lucky winners

Public relations

- “A variety of programs designed to promote or protect a company’s image or its individual products.”
- -Philip Kotler

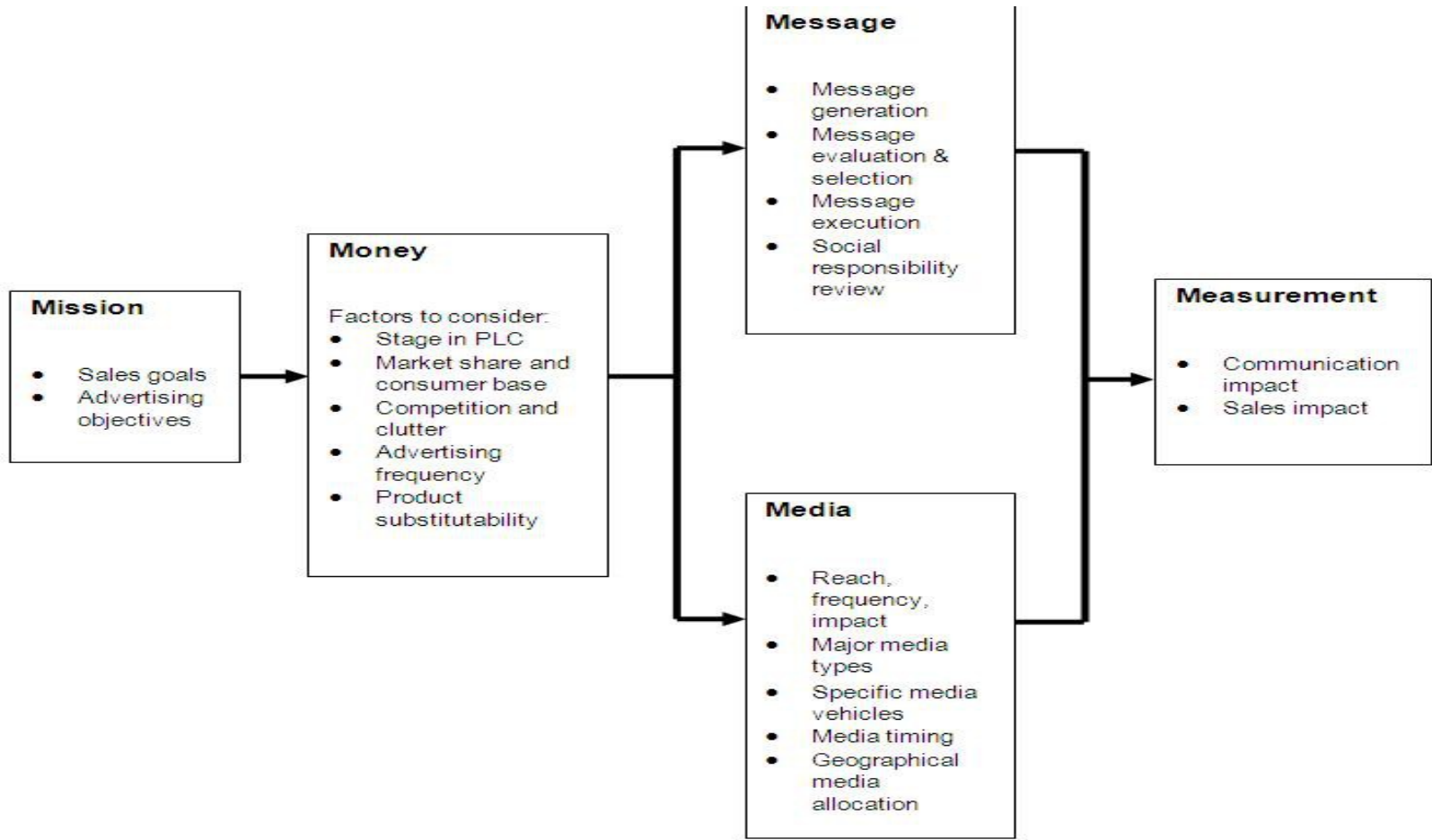
Tools of P.R.

- News
- Speeches by company authorities in public platforms
- Participation in conferences, exhibitions, competitions etc.

- Public service activities
- Annual reports, articles, magazines etc.
- Stationery ,logos, business cards
- Customer care services.

Advertising

- AMA- “any paid form of nonpersonal presentations and promotion of ideas ,goods or services by an identified sponsor”
- Role of advertising in marketing.



Management of advertising

- Setting objectives-
 - Russel Colley -DAGMAR
- Budget allocation
 - Affordability
 - Percentage of sales
 - Competitors strategy
 - Objectives and task
 - Regression analysis

Top 10 TV advertisers, Q1 2014



PROP UP 2014 ADVERTISING GROWTH

Ad growth this year v/s last year



Total ad industry size

(in ₹ crore)



Sector-wise spend break-up for 2013 (in %)



For 2014: FMCG, Retail, Auto and Telecom expected to be big spenders; estimates not given

Source: GroupM

- Message finalization

- Quality

- Message structure

- Message appeal

- Media selection
 - Budget
 - PLC stage
 - Customers
 - Coverage
 - Competition
 - Company policies

- Different types of media
 - Mural or outdoor advertising
 - posters or hoardings
 - Vehicular advertising
 - Sky advertising
 - Electric light signs
- Press advertising
 - Newspapers
 - Magazines
 - Trade journals

- Direct mail
 - Sales letters
 - Price list
 - Catalogues, leaflets/pamphlets
 - Novelties, diary, calendar, gifts etc.
- Audio/ Audio-visual/ electronic advertising
 - Radio
 - Film
 - Television
 - Slide shows
 - Window display
- Advertising evaluation

123204



The Economist



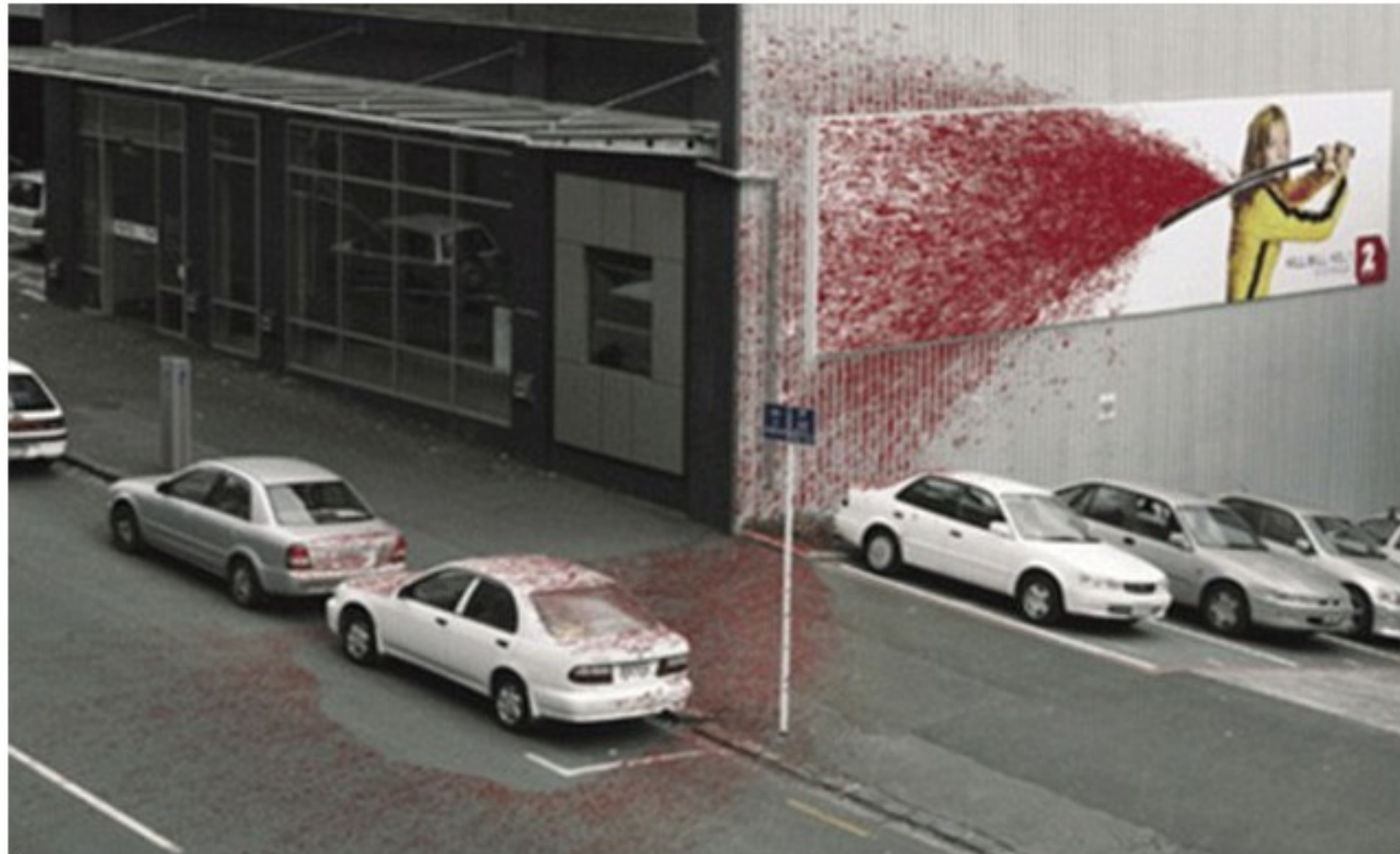
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The Economist









NATURAL FINISH COLOURS

Communication tools

- Product communicates
- Price communicates
- Place/point of sale communicates
- Promotion communicates

- Marketing communication through product cues
 - Physical features of the product
 - Packaging
 - The Brand name
 - The company name

Packaging

- Package materials
- Changing trends from wood to paper and plastics
- Plastics ,the new packing medium
- More innovations in packaging
- Package aesthetics

Package size and convenience

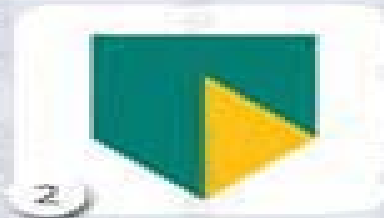
- Standalone packs/tubes
- Application packs
- Cans
- Fractional packaging
- Economy pack
- Sachets
- Reusable containers
- Refill packs

Color psychology in packaging

- Red --excitement, strength, passion, speed, danger. Blue -- trust, reliability, belonging, coolness. Yellow --warmth, sunshine, cheer, happiness. Orange -- playfulness, warmth, vibrant. Green -- nature, fresh, cool, growth, abundance. Purple --royal, spirituality, dignity. Pink -- soft, sweet, nurture, security. White --pure, clean, youthful, mild. Black --sophistication, elegant, mystery. Gold -- prestige, expensive. Silver -- prestige, cold, scientific.

Identifikasi logo yang ada di...

with 10 letter



- Impulse shoppers respond best to red-orange, black and royal blue.
- Shoppers who plan and stick to budgets respond best to pink, teal, light blue and navy.
- Traditionalists respond to pastels - pink, rose, sky blue

- Marketing communication through price cues
- Price-quality equation
- Price –status equation
- Price ,an indicator of technological superiority
- Consumers' concept of a reasonable price

- Place as a component in MC
- The store image
- Store level merchandising
- Store , a powerful communication instrument



- Promotion as a component in marketing communications
- Personal selling
- Advertising
- Sales promotion
- Publicity

Personal Selling

- Personal selling is a means for implementing marketing program involves along with other marketing elements like pricing, product development & research, advertising, marketing channels & physical distribution

Salesmanship

- The Art of successfully persuading customers to buy product or services.
 - Sales managers functions and responsibilities
 - Characteristics of successful salesman

Personal Selling-stages

- Prospecting
- Planning the sales calls (preapproach)
- Approaching the prospect
- Making the sales presentation
- Closing the sales presentation
- Dealing with prospect objections
- Closing the sale
- Follow up

- Sales management functions-
 - Setting sales objectives
 - Sales policies
 - Sales force composition
 - Fixing sales quotas
- Managing the sales force
 - Recruitment and selection of sales staff
 - Training the sales staff
 - Directing the operation of sales staff
 - Motivating
 - Evaluation

- Classroom activity- Role play - personal selling

Place mix

- Distribution channel
- Marketing channels can be viewed as sets of interdependent organizations involved in the process of making a product or service available for use or consumption.

Type and nature of middlemen

- Sole selling agent
- Marketer
- C&F agents
- Redistribution stockist
- Stockist/distributor/Wholesaler
- Semi –wholesaler
- Retailer/Dealer
- Broker
- Franchisees
- Authorized representatives
- Commission agents

Factors determining the length of channel

- Size of the market
- Order lot size
- Service requirements
- Product variety
- Type of product

Functions and importance of distribution channels

- Information
- Distributional efficiency
- Promotion
- Negotiation
- Price stability
- Financing
- Risk bearing
- Provision of assortments

Factors influencing selection of channel

- Market characteristics
- Nature of the product
- Company characteristics
- Middlemen characteristics
- Intensity of competition
- Others

Steps involved in developing channel design

- Formulation of channel objectives
- Identification of channel functions
- Analyzing the product characteristics
- Evaluation of distribution environment
- Evaluation of competitors' channel pattern
- Evaluation of company resources
- Selection of the most suitable channel design.

Distribution strategies

- Intensive distribution strategy
- Selective distribution strategy
- Exclusive distribution strategy

Physical distribution

- “Physical distribution involves planning, implementing and controlling the physical flows of materials and final goods from points of origin to points of use to meet customer needs at a profit.”
 - Philip Kotler

Importance of physical distribution

- PD provides time and place utility
- Helps build clientele
- Area of cost savings
- Integral part of marketing
- Rising competition

- Elements of physical distribution
- Order processing
- Warehousing
- Inventory
- Transportation

- Electronic channel
 - Providing information
 - Online buying /selling
 - Improved supplier –customer relationships
- Channel alternatives in business marketing

1)Assignment(20 marks)

- Design a marketing strategy for a new product or service .

2)Classroom assessment (10marks)

-Brand awareness study.